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FINANCIAL TIMES

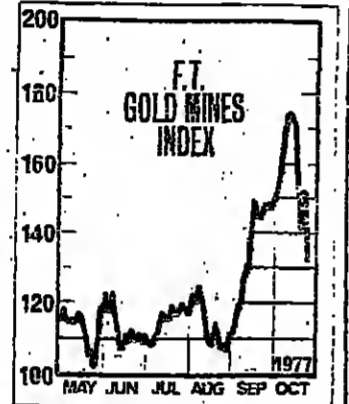
No. 27,395 Friday October 28 1977 * 12p

PLANNING A NEW FACTORY? Build in the benefits of an ATCOST STRUCTURAL FRAME

NEWS SUMMARY

GENERAL I stay as MP, says Thorpe. BUSINESS Selling hits gold shares.

Denials were made by Mr. Jeremy Thorpe, former Liberal leader, that he was involved in a plot to kill Mr. Norman Scott, a model. He added that he would not resign as MP for North Devon.



Vaccine warning 'came too late' for parents. The Health Department should have alerted parents earlier to recognise adverse reaction in whooping cough vaccine.

Tate says 'No' to campaign for a national museum in Somerset House. The Tate Gallery, which holds many of the artist's works, Fire 1954, and lack of space were given as reasons.

Power-less. A power cut, caused by a work-rule, which hit thousands of homes all over Britain also backed out the Department of Energy in London.

Biko inquest. The death in South Africa of Steve Biko, black activist, might not have been due to natural causes, the examining magistrate said at an inquest. Page 7

Smallpox scare. A baby boy is in a Bristol hospital undergoing tests for smallpox.

Tito must rest. President Tito of Yugoslavia, who is 85, has been told to rest because "he is tired."

Flight curbs back. Restrictions on the movement of jets at night from Heathrow and Gatwick will be reimposed on Tuesday. Page 10

Briefly. New aspect of crime—women gangster-terrorists. Judge Gwyn Morris, QC, said at the Old Bailey.

Three Baader-Meinhof urban guerrillas were hanged as Left-wingers shouted, "Murder." Page 5

Two Anglican clergymen who allowed a woman priest from the U.S. to celebrate Holy Communion in their churches were criticised by the Archbishops of Canterbury and York.

Widow of Brig Crosby may work in Britain. Mr. Mityg Harrington, deputy leader of the Labour Party on the Greater London Council and a close friend, said.

Application by Mr. Rex Prentice, former Labour Cabinet Minister, to receive the Conservative whip was approved by Mrs. Margaret Thatcher, Opposition leader.

Machete-wielding man, booted-up by a council flat in north London to a row over repairs, changed his demands by asking for any councillor to resign.

Diverse rate in Scotland continues to rise. Government agrees showed.

Value of a European monetary union should be studied, said Mr. Roy Jenkins, president of the EEC Commission. Page 5

Stamps in the issued next year will mark the 25th anniversary of the Coronation.

Liner France may be anchored off Florida and used as a hotel.

Table of Chief Price Changes Yesterday. Lists various commodities like Wheat, Rice, and various oils with their price changes.

Oxygen shortage may paralyse much of industry

BY NICK GARNETT and LYNTON McLAIN

Large sections of British industry face the prospect of total shutdown after a shop stewards' decision yesterday to continue the strike at British Oxygen which has crippled supplies of industrial gases vital for manufacturing.

The unofficial strike, now in its third week, has already disrupted a wide range of industries, particularly engineering, shipbuilding and textiles. About 40,000 workers are laid off.

Under the unions' constitution, the shop stewards will deal with direct piping too are deal within the Government's 10 per cent. guideline together with a productivity scheme it says could give a further 8.5 per cent.

It has also indicated that it is prepared to be flexible on some issues and hinted at improving the productivity offer. It says its total offer would bring average weekly earnings of manual workers up to more than £94.

In the Midlands, oxygen shortages at steel stockholders have almost stopped steel processing. Specialised gases used by electronic component manufacturers and light bulb companies are also scarce.

Food companies dependent on liquid nitrogen for freezing are on reduced output. Textile companies dependent on British Oxygen have almost ceased polymerisation operations essential for yarn production.

On the Clyde, Mr. A. Ross Beich, managing director of Scott Lithgow, said the strike had cost the group more than £20,000. On the Tyne, where 2,000 people have been laid off, another 1,600 will be sent home tonight from the Swan Hunter yards.

Reason

"Only the common sense and reason of our workers can end this strike. We have already said we will re-open negotiations immediately when it is resumed."

Mr. John Miller, the TGWU's national officer for chemicals who was in touch with the British Oxygen yesterday, thought, however, that there were hints that the company might be prepared to move from that stand. The company has offered a

Carter to support arms ban on South Africa

BY JUREK MARTIN WASHINGTON, Oct. 27.

PRESIDENT CARTER today came out strongly in favour of a mandatory embargo on the sale of arms to South Africa, and implied that the U.S. would take additional measures in the future if South Africa's domestic politics remained repressive.

He told reporters: "My prediction is that the U.N. will adopt such a resolution and it will be overwhelmingly supported by the nations of the world. This will be joined by the direct from me that this was carried out to include a prohibition against the sale of spare parts to weapons and we will also assess other actions that might be taken in the future."

At this stage no trade or investment embargo, said Mr. Carter, but he added later that it was quite proper for the U.S. to entertain commercial sanctions when examples of the "blatant deprivation" of human rights occurred in other nations.

"I do not look at this as an interference in the internal affairs of other countries," he said. "The President appeared confident that the U.S. and its willing allies could work harmoniously with other nations to resolve the position of South African arms and Rhodesian problems to the disagreements that have."

Big investment trust rebuffs £75m. bid by Rail Funds

BY ADRIENNE GLEESON

A BID for Edinburgh and Dundee, one of the biggest of the investment trust companies, was announced yesterday by British Rail Pension Funds.

The price will be reached by using a formula which will have value on any company at the end of last month at £75.68m. Edinburgh and Dundee's directors, however, have said already that the offer is not high enough.

The announcement follows quickly on formal notification from the National Coal Board pension funds that they are to make a bid, valued at about £106m, for the British Investment Trust.

The National Coal Board pension funds' bid price is also based on a formula related to net asset value. However, while the rail pension funds are offering 100 per cent of net asset value, less prior charges and certain contingent liabilities to be deducted include the dollar premium surrender.

So the announcement of the rail funds' terms for Edinburgh and Dundee yesterday immediately provoked the Board of the British Investment Trust into rejecting the coal funds' offer.

A spokesman for Mr. Robert Fleming, the trusts' financial advisers, said last night: "We could not possibly recommend a bid on terms less favourable than those offered to the shareholders of another investment trust."

The Rail Funds' bid for Edinburgh and Dundee comes as no surprise. The company's Board announced on September 20 that it had had an approach which might lead to a bid, and on October 8 that talks with the prospective bidder had broken down and that an offer might be made directly to shareholders.

The first announcement, now agreed by all parties to have been premature, was precipitated by movements in the price of Edinburgh and Dundee's shares, which are now the subject of a Stock Exchange inquiry.

Police settle for 10% and inquiry

BY DAVID CHURCHILL, LABOUR STAFF

POLICE leaders last night accepted a pay rise of 10 per cent backdated to September 1, plus an immediate independent inquiry into their pay levels.

Agreement came after several hours of talks at the Home Office between Mr. Morley Rees, Home Secretary, and officials from the Police Federations in England, Wales, Scotland and Northern Ireland.

The 10 per cent deal, which is within the Government's pay guidelines, has still to be formally ratified next week by the Federation's joint central committee, which represents Britain's 120,000 police officers.

As Federation leaders have accepted the offer, and are to recommend it to the committee, there is unlikely to be a revolt against the deal.

Mr. James Jardine, Police Commissioner, had said policemen would be unhappy. "We had to accept the inevitable fact that there is no more money on the table at the moment," he said.

But we also have to be responsible and put some money into the pockets of our members." Last night's agreement has ended the immediate possibility of an illegal police strike, which only 24 hours previously Britain's top policeman, Mr. David McNeice, Metropolitan Commissioner, had said was closer than at any time since the last strike in 1919.

The independent inquiry into police pay will be headed by Lord Edmund-Davies, a member of the Judicial Committee of the Privy Council.

Mr. Rees said last night that the inquiry will take some time to complete, but Lord Edmund-Davies could issue an interim report on the pay issue alone if it is unlikely that the report will

be ready until early next year. Both sides have agreed to be bound by the findings of the inquiry. Mr. Rees said that it was a "bold" move to put it into effect at once.

Mr. Jardine, however, was convinced that the inquiry would recommend substantial increases for implementation over the next year. "We are quite convinced that Lord Edmund-Davies and his committee will prove us to be right in what we have been saying for a long time, that police pay has got to be put in its right position."

Police had claimed that they needed rises of between 70 and 100 per cent to restore their pay to levels previously established with the Home Office. Internal Home Office calculations on the same basis suggested that rises of at least 30 per cent would be needed.

The Cabinet decided on Monday that the police could not be treated as a special case and must stay within the pay guidelines along with other groups of workers.

The full inquiry will cover not only pay and negotiating machinery, but also the question of the constitution, which will include members of Lord Edmund-Davies's present committee.

The inquiry will cover not only pay and negotiating machinery, but also the question of the constitution, which will include members of Lord Edmund-Davies's present committee.

The length of last night's meeting was partly due to the initial size of the police negotiating team—it was reduced from 20 to six members during the talks—and also because the Federation's withdrawal from the existing machinery, the Police Council, last year.

Mr. Rees said last night that the inquiry would take some time to complete, but Lord Edmund-Davies could issue an interim report on the pay issue alone if it is unlikely that the report will

Crane accepts Inchcape

BY NICHOLAS COLEMAN

INCHCAPE has agreed to sell 4.5 million shares to Crane Fruehauf, the British manufacturer of heavy haulage trailers, which has agreed to buy 35 per cent of the Crane equity this week raised its offer for the rest to 70p a share.

In announcing Inchcape's offer, the Crane Fruehauf Board said it expected pre-tax profits for 1977 to be in the order of £3m—twice the 1976 figure. Inchcape intends to recommend a 15p dividend for the current year, against last year's 10p. Crane Fruehauf shares closed up at 77p.

Markets react well to Healey measures

By Peter Riddell, Economics Correspondent

FINANCIAL MARKETS and the City reacted favourably yesterday to Wednesday's mini-Budget with strong demand both for sterling and gilt-edged stock.

The existing long-dated lap stock was soon exhausted in the morning after large sales and the prices of some long-dated stocks rose a point at one stage, before closing about 1/2 higher.

The demand for sterling was sizeable in the morning and the rate rose by more than a third of a cent by just more than \$178 for the first time for more than a year.

The Bank of England is thought to have had to intervene to prevent a further rise.

Changed

The position changed in the afternoon after the publication of the U.S. trade figures for September, which were better than expected with a deficit of \$1.72bn, compared with \$2.67bn in August.

The dollar improved against most other major currencies, but only recovered part of its earlier losses.

Sterling also fell back later against the dollar, closing only 3 points up on the day at \$1.770, while the trade-weighted index dropped 0.1 to 62.5.

A key issue on the next few weeks is whether the heavy tailors of foreign currency continue and whether the potential conflict between the maintenance of a stable exchange rate and monetary targets becomes a real one.

This will depend partly on whether sales of gilt-edged stock can be maintained at a high level, as highlighted by yesterday's exhaustion of the £900m 10 1/2 per cent 1997 Exchequer stock, following sales estimated by some bankers at between £300m and £400m.

This will be close interest to-day to see if a new tap is issued.

Spending plans awaited. Back Page

Table with columns: In New York, October 27, Previous. Lists various market indices and their values.

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A new look at regional policy

BY COLIN JONES

ONE OF the political curiosities of this recession has been the relatively little controversy which has surrounded the regional policy...

True, these comparisons exclude infrastructure expenditures. They also ignore the inter-regional redistribution effects of the tax and welfare systems...

Indeed, these developments are probably one reason why regional policy has become much less effective in terms of job creation in the 1970s...

Diffused

Moreover, the decline of regional policy goes back to well before the present recession. Indeed, it could almost be said to have begun in 1968...

Systematic

The clear implication is that industrial countries like Britain will have to evolve a more flexible approach to regional imbalances...

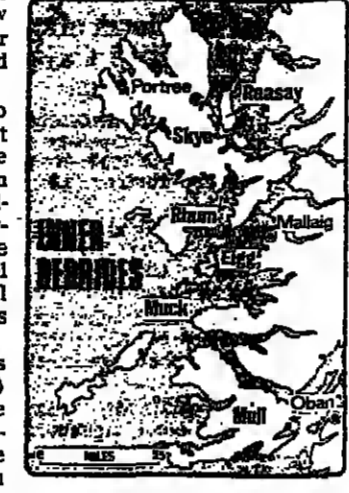
AROUND BRITAIN

Reviving Egg and Muck

BY RAY PERMAN

APPROACHED FROM the sea, a little way to the north, off the Skye coast, and Mull, to the south of Egg, there has been concern over the attitude adopted by their owners towards general development...

On both Raasay, a little way to the north, off the Skye coast, and Mull, to the south of Egg, there has been concern over the attitude adopted by their owners towards general development...



Land ownership is a vital and highly charged topic in the Highlands at the moment. Something like 82 per cent of the land is privately owned...

RACING BY DOMINIC WIGAN

Sweet Zest may continue form with Haydock win

BACKERS are faced with a tricky time at Haydock this afternoon, where by far the most valuable event on a 97-race card is the 9.45...

- HAYDOCK 1.15-Marked Time 1.45-Mill Street 2.15-Skin Deep 2.45-Sweet Zest 3.15-Startling 3.45-Lewis NEWMARKET 1.30-La Creperie 2.00-David 2.30-Just Coast 3.00-Beris Jewel SANDOWN 1.30-Doo'cut Park 2.00-Double Bridl 2.30-Queen's College 3.00-Miss Boon

In his only race since that plucky Newmarket effort, Sweet Zest again maintained his improvement, finishing full of running when a three-quarter mile length runner up to Saragun at Redcar, where he had to switch a quarter of a mile from home.

BY ANTONY THORNCROFT

Old photographs in demand

THE MOST interesting auction in London yesterday was that by Wyndham Lewis of Christies' South Kensington, with just 7 per cent...

Phillips sold fireworks, bronzes and other metal plaques which insurance companies once fixed to walls to their customers. The sale totalled £2,273, with a stone mark of the demand for daguerotypes...

Nelson gave £16,500 for a fine natural pearl necklace. Christie's was also busy in Australia, disposing of Australian in Sydney yesterday...

WINE SALE BY EDMUND PENNING-ROWSELL

Prices level off after upsurge

ALTHOUGH SOME record prices were marked up at Christie's wine sale yesterday, after the summer rise during the summer...

Some surprisingly high prices were paid, too, for wines seldom found in the saleroom - Lalour '55 (261 for a single bottle)...

Yquem prices seem to have reached a plateau. Many of the earlier increases were the result of American buying. Although this was evident yesterday, competition was not sufficient to push most prices higher.

Radio BBC 1 9.30 a.m. For Schools, Colleges, 10.45 a.m. and 11.05 a.m. For Schools, Colleges, 12.45 p.m. News, 1.00 Pebble Mill, 1.45 Barnaby, 2.00 For Schools, Colleges, 3.00 Y Chelviotry, 3.30 The Sky at Night, 3.55 Regional News for England (except London), 2.25 Play School (at BBC 2 11.00 a.m.), 4.20 Buckleberry Hound, 4.25 Jackanory, 4.40 The Record Breakers, 5.10 Blue Peter Special Assignment, 5.30 News, 5.55 Nationwide (London and South-East only).

6.20 Nationwide, 6.40 Sportswide, 7.05 The Early Film: 'Atlantis, The Lost Continent', 8.30 The Liver Birds, 9.00 News, 9.25 Target, 10.15 To-night (London and South-East only), 10.45 Regional News, 10.46 The Late Film: 'The Producers', starring Zero Mostel. All Regions as BBC 1 except at the following times: Wales-11.05-11.25 a.m. For Schools (Let's Look at Wales), 1.45-2.00 p.m. Cwmifil, 5.55-6.20 Wales Today, 7.05 Heddidi, 7.30 Cawl a Chan, 8.00-8.50 Les Sauts. Singers' greatest hits 10.15. News on Friday, 10.45-10.46 News for Wales. Scotland-10.23-10.43 a.m., 11.05-11.25 For Schools, 5.55-6.20 Report.

ing Scotland, 8.30-9.00 Current Account, 10.15 Spectrum, 10.43-10.46 News for Scotland, Northern Ireland-10.23-10.43 a.m. For Schools (Ulster in Focus), 3.33-3.55 p.m. Northern Ireland News, 5.55-6.20 Scene Around Us, 0.15 Gallery, 10.45-10.46 News for Northern Ireland, England-5.55-6.20 p.m. Look East (Norwich), Look North (Leeds, Manchester, Newcastle), Midlands Today (Birmingham), Points West (Bristol), South Today (Southampton), Spotlight South-West (Plymouth), 10.15-10.45 East (Norwich) News; Midlands (Birmingham) in My Opinion, North (Leeds), South (Newcastle), Sports Desk: North-West (Manchester), Home Ground: South (Southampton) Report South; South-West (Plymouth) Peninsula; West (Bristol) When the Time Comes.

BBC 2 11.00 a.m. Play School, 1.00 p.m. Racing from Haydock, 2.00 News on 2, Headlines, 7.05 Roadworthy, 7.30 Newsday, 8.10 Kilvert's Diary, 8.25 The Money Programme, 10.25 Ant and Dec's Europe's third largest food firm, 9.00 Jack Jones, 9.45 Horizon, 10.25 Ant and Dec's Europe's third largest food firm, 11.30 Late News on 2, 11.40 The Book Programme, 12.10 a.m. Closedown: Gwen Watford reads 'Homage to Cecil De Mille' by Noel Turnbull.

ANGLIA 1.25 a.m. Anglia News, 2.25 Friday Film Mainline: 'Over the Moon', starring Peter Onyiah, 3.00 Happy Days, 4.00 About Anna, 4.30 Streets of San Francisco, 5.30 News, 6.00 The Saturday Show, 7.30 Friday Late Film: 'Indict and Convict', 12.45 a.m. Christmas 14 Action.

SCOTTISH 11.55 a.m. News, Road and Weather Report, 2.00 Weekend Quiz, 2.25 Friday Film Mainline: 'Asa No One Could Save Her', 3.35 Franchise Film: '5.20 Crossroads', 4.00 Day by Day (Channel 5, 11, 27, 25 and 26), 4.30 The Scene South (Channel 10, 45, 47 and 60 only), 4.50 Day by Day (The Big Send Up, 10.8, 3 Southern News, 11.30 Southern News Extra, 11.10 'The Girl on the Late, Late Show).

SOUTHERN 1.20 p.m. Southern News, 2.00 Women Only, 2.25 The Friday Evening, 3.00 Mr. Lee, 3.30 Weekend, 5.20 Crossroads, 6.00 Day by Day (Channel 5, 11, 27, 25 and 26), 4.30 The Scene South (Channel 10, 45, 47 and 60 only), 4.50 Day by Day (The Big Send Up, 10.8, 3 Southern News, 11.30 Southern News Extra, 11.10 'The Girl on the Late, Late Show).

TYNE TEES 9.25 a.m. North East News Headlines, 10.00 a.m. Southern News, 11.30 Southern News Extra, 11.10 'The Girl on the Late, Late Show).

F.T. CROSSWORD PUZZLE No. 3,504

Crossword puzzle grid with numbers 1-30 and letters A-Z.

ACROSS 1 A promise to reduce (8), 5 Stop for a drink (6), 9 Draw back in a rush to be compensated (8), 11 Turn I take on in contest (6), 12 Come to the point but it's tight (5), 13 Lost again! Could it be home-sickness? (9), 14 Fastener for a bookmaker (6), 16 Non-conformist member of society is to withdraw (4,3), 18 Release a French bundle (7), 21 Bird seen in the sky at night (8), 23 Weapon for fish workers (9), 25 Blotting to accept key as an antibody (5), 26 Tincture provided for priest to cross a river (6), 27 Fast bowler's action is always cast (8), 28 Smooth shelter in the sky (6), 29 Hark, hark to the applause (4, 4), DOWN 1 Copper gone to assess vicar (8), 2 A fresh race for paper (9), 3 Less well done and not so common (5), 4 Char cut with slimmer (7), 6 In high spirits, so give bird a rime (4-1-1), 7 Article concealed in bathing-suit (5).

BBC 2

11.00 a.m. Play School, 1.00 p.m. Racing from Haydock, 2.00 News on 2, Headlines, 7.05 Roadworthy, 7.30 Newsday, 8.10 Kilvert's Diary, 8.25 The Money Programme, 10.25 Ant and Dec's Europe's third largest food firm, 9.00 Jack Jones, 9.45 Horizon, 10.25 Ant and Dec's Europe's third largest food firm, 11.30 Late News on 2, 11.40 The Book Programme, 12.10 a.m. Closedown: Gwen Watford reads 'Homage to Cecil De Mille' by Noel Turnbull.

LONDON

9.30 a.m. Schools Programmes, 11.15 Felix the Cat, 12.00 The Learning Tree, 12.10 p.m. Railshow, 12.30 The Roger Whittaker Show, 1.00 News plus FT index, 2.00 Telp, 2.30 About Britain, 2.40 Money, 3.00 News, 3.25 McMillan and Wife, 3.50 The Cedar Tree, 4.15 The Swiss Family Robinson, 4.45 Maggie, 5.15 Bonanza, 5.45 News, 6.00 Thames at 6, 6.25 Crossroads, 7.00 The Muppet Show.

RADIO 1

6.00 a.m. Radio 2, 7.02 Noel Edmonds, 8.00 Tony Blackburn, 12.00 Paul Barnett, including 12.30 a.m. News, 1.00 News, 1.30 News, 2.00 News, 2.30 News, 3.00 News, 3.30 News, 4.00 News, 4.30 News, 5.00 News, 5.30 News, 6.00 News, 6.30 News, 7.00 News, 7.30 News, 8.00 News, 8.30 News, 9.00 News, 9.30 News, 10.00 News, 10.30 News, 11.00 News, 11.30 News, 12.00 News.

WESTWARD

12.30 a.m. GUS Humphrey's Birthdays, 1.00 Westward News Headlines, 2.25 The Friday Evening, 3.00 Mr. Lee, 3.30 Weekend, 5.20 Crossroads, 6.00 Day by Day (Channel 5, 11, 27, 25 and 26), 4.30 The Scene South (Channel 10, 45, 47 and 60 only), 4.50 Day by Day (The Big Send Up, 10.8, 3 Southern News, 11.30 Southern News Extra, 11.10 'The Girl on the Late, Late Show).

YORKSHIRE

1.00 a.m. Calendar News, 2.25 Friday Film Mainline: 'Asa No One Could Save Her', 3.35 Franchise Film: '5.20 Crossroads', 4.00 Day by Day (Channel 5, 11, 27, 25 and 26), 4.30 The Scene South (Channel 10, 45, 47 and 60 only), 4.50 Day by Day (The Big Send Up, 10.8, 3 Southern News, 11.30 Southern News Extra, 11.10 'The Girl on the Late, Late Show).

Capital Radio

6.00 a.m. Graham Oene's Breakfast Show, 7.00 a.m. Breakfast Show with Alan Oue, 8.00 a.m. Alan Oue's Breakfast Show, 9.00 a.m. Alan Oue's Breakfast Show, 10.00 a.m. Alan Oue's Breakfast Show, 11.00 a.m. Alan Oue's Breakfast Show, 12.00 a.m. Alan Oue's Breakfast Show.

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I left my heart in Los Angeles

by NIGEL ANDREWS

There are two vital prerequisites for any visit to San Francisco. One is a strong pair of legs, for negotiating the most extensively up-and-down city in the Western world. The other is a tough pair of ears, for enduring the almost constant wail of police, fire and ambulance sirens.

San Francisco is New York City visit all at once. I arrived primed with the assurance of my fellow Londoners that I would hate Los Angeles and love San Francisco, the outcome proved to be the precise opposite.

Los Angeles seems to me as near to Heaven-on-Earth as any big city in this world can get: a gorgeous sprawl of lazy, sun-drenched suburbs, in which the absence of any trace of city centre or business rather than a handicap.

San Francisco, by contrast, proved sadly disappointing. Spectacularly, it has some spectacular attributes—the crazy undulations that masquerade as city streets, the eye-catching wooden 19th century houses, the views across the bay, the noble span of the Golden Gate Bridge. But there is a less Utopian side as well. The centre of town is cramped and noisy, and the city's much-vaunted social and sexual tolerance, a heritage of the Haight-Ashbury era, has already gathered to itself a whiff of the vicious and exploitative.

If San Francisco can be seen as a cross between New York and Los Angeles, it is one that on first acquaintance seems to combine the worst rather than the best of both worlds.

The film festival seems no less of an uneasy hybrid than the city, part symposium for film-lovers, part social bonanza for anyone who can afford it (or who is fortunate enough to wield a Press card). In these days of penny-pinching film festivals, it at least deserves ten points out of ten for a sense of largesse and social occasion: the opening-night celebrations took the form of a black-tie dinner at the luxurious Hyatt Regency Hotel, in which the food and wine flowed in a way to shame most European festivals. And the choice events of the week were the personal appearances, each complete with an interview and a medley of film clips, of such luminaries as Mel Brooks, Lauren Bacall and Claude Lelouch. Each of these appearances bore the imprimatur of a Big Social Occasion—luring from their busy day's missions the festival's well-acquainted patrons and newcomers—and I see no reason to complain at the sight of so much cash and showmanship ploughed into a medium often treated as the Cinderella of the Arts.

About the films themselves, however, it is more difficult to say anything. The festival is lower in one respect: the idea of a film festival which shows only two films a day, but the cinephile is aghast. Used to the hectic timetable of Cannes or Berlin, in which one consumes films for breakfast, lunch, high tea and dinner, the Festival seems too much like a dilettante's picnic. The films themselves are tastefully selected—several have mentioned approvingly from earlier festivals—but the quantity is insufficient, and there is a distant leaning quality towards the chic, well-dressed movie as if the films were chosen to match the San Francisco audience.

The films I have written about before from other locations included two that would grace any festival: Agnes Varda's gentle and funny *L'Une Côté*, and the superb prize-winner from Cannes, which opened in London just recently, *Poudre de Riz*. New to me were Sydney Pollack's *Bobby Deere*, *Paradise Place* by the Swedish actress-turned-director Gunnel Lindblom, and two promising new French films *Servante*, *Mistresse* and *L'Amour En Herbe*.

Pollack's film will be in London shortly. It is a kind of

A brief commendation for the whole festival—was the sample and far less about the emotional impact of the war itself on a hand of middle-class citizens caught in the crossfire. Two or three scenes leap quickly to life—the wealthy, Franco-sympathising uncle taking his gleaming Hispano for the outset and in the garage where it sits concealed, the penurious school-teacher begging for food from his pupils—but they only highlight the imaginative poverty of much that surrounds them.

The *Man Who Skied Down Everest* (Covent Garden Cinema) deals, by contrast, with a relatively trivial pinpoint in 20th century history, but it makes the magazine for the outset and never loses its grip. Yuchiro Miura, the Japanese skier who holds the world skiing speed record of 108 mph, did not in fact ski down Mount Everest. Of the 6,500 ft skiing strip he selected near the mountain's summit he negotiated half the distance on his skis and half on his back, being fortunate in the spectacular tumble he took to survive with his limbs intact and his mental faculties still adequate to the task of providing posterity with his poetic thoughts on the experience. The downhill of the mind more painful than the uphill of the body, he fumes at one point; or rather the Canadian narrator does, speaking Miura's own words in translation.

Rudge Crawley's documentary tells the story of the massive expedition mounted to induce Miura's record-seeking whim, and does a fine job of dovetailing the film record of the event with additional footage from Miura's previous exploits. It would be a Werner Herzog however, to do full justice to the poetry and folly of the enterprise, and to highlight such surreal minutiae as the sight of 100 Sherpa guides huddled on an icy plateau 2,000 feet up watching *Bonanza* on TV.

One of the thematic leitmotifs of this year's Edinburgh Film Festival was the subject of childbirth. No less than three documentaries dealt with the topic, and two of them receive their London premieres this week at the Other Cinema. *Sally Pillsbury's Birth* is a blast of natural care in modern hospitals, with R. D. Laing, that tireless guru, commenting on the none-too-appetising scenes of hospital midwifery we see and asks, though gadgetry and high-speed impersonality have replaced the human touch in the treatment of childbirth. No less persuasive is *Chicago Maternity Centre Story*, a documentary lamenting the demise of the unique home delivery service provided in that city until recent years and now closed through "lack of funds."

Simply on the strength of the 20 minutes or so Brooks showed us of the film, I should judge *High Anxiety* to be his best work to date.

Frankly, back in London, Jaime Camino's *The Long Holidays of 1936* (Paris Pukman and Phoenix East Finchley, AA) is a Spanish film about a Catalan family whose summer vacation near Barcelona is overtaken by Franco's death, thereby forcing the Spaniards to flee their shores. The film is not so much cut short as indefinitely extended, turning into an uneasy, restless three-year exile. Camino completed this film at the same time as *High Anxiety*, and it is interesting to see how he avoided the censorship problems and producing what is probably the first explicitly anti-

Fascist film ever to emerge from Spain unscathed.

That is the good news. The bad news is that the film goes about its business in sporadically ponderous style; substituting the wit and savagery that, say, Bunuel might have brought to the story, a plodding literalism that tells us far more than we wish to know about the daily vicissitudes of the family's life, and far less about the emotional impact of the war itself on a hand of middle-class citizens caught in the crossfire. Two or three scenes leap quickly to life—the wealthy, Franco-sympathising uncle taking his gleaming Hispano for the outset and in the garage where it sits concealed, the penurious school-teacher begging for food from his pupils—but they only highlight the imaginative poverty of much that surrounds them.

The *Man Who Skied Down Everest* (Covent Garden Cinema) deals, by contrast, with a relatively trivial pinpoint in 20th century history, but it makes the magazine for the outset and never loses its grip. Yuchiro Miura, the Japanese skier who holds the world skiing speed record of 108 mph, did not in fact ski down Mount Everest. Of the 6,500 ft skiing strip he selected near the mountain's summit he negotiated half the distance on his skis and half on his back, being fortunate in the spectacular tumble he took to survive with his limbs intact and his mental faculties still adequate to the task of providing posterity with his poetic thoughts on the experience. The downhill of the mind more painful than the uphill of the body, he fumes at one point; or rather the Canadian narrator does, speaking Miura's own words in translation.

Duke of York's Laburnum Grove by B. A. YOUNG



Honor Shepherd, Arthur Lowe and Deborah Watling

J. B. Priestley's veteran comedy is a sturdy old reentry piece and deservedly so. Its slight story is beautifully planned, for the first act George Radford, the archetypal suburban bore, announces to the family that he is not going to work, but that he is head of an international gang of forgers. Throughout most of the second act he is away, like Hamlet or Macbeth, in a great world of his own making, and we can see how the family reacts. In the third act there is a confrontation with the police as he returns to his home. The conclusion is sufficiently unexpected, even if it is a stab in law and order.

The production, directed so much towards the past, such as Simon Merrick's reading with his suitcases, Sam Byde's comic exit through the greenhouse, the romantic young couple Elise and Harold, and the incident of the burrows in the hands of Deborah Watling and Boba Edwards, though not very romantic, Simon Merrick and Honor Shepherd are the parastatic uncle and aunt, Joan Cooper's George's wife is sturdy as the family's pragmatic force, and Arthur Lowe's Mr. White plays the Inspector. The setting-room by Hutchinson Scott is all that the setting-room in *Laburnum Grove*. Shooters Green, N. should be

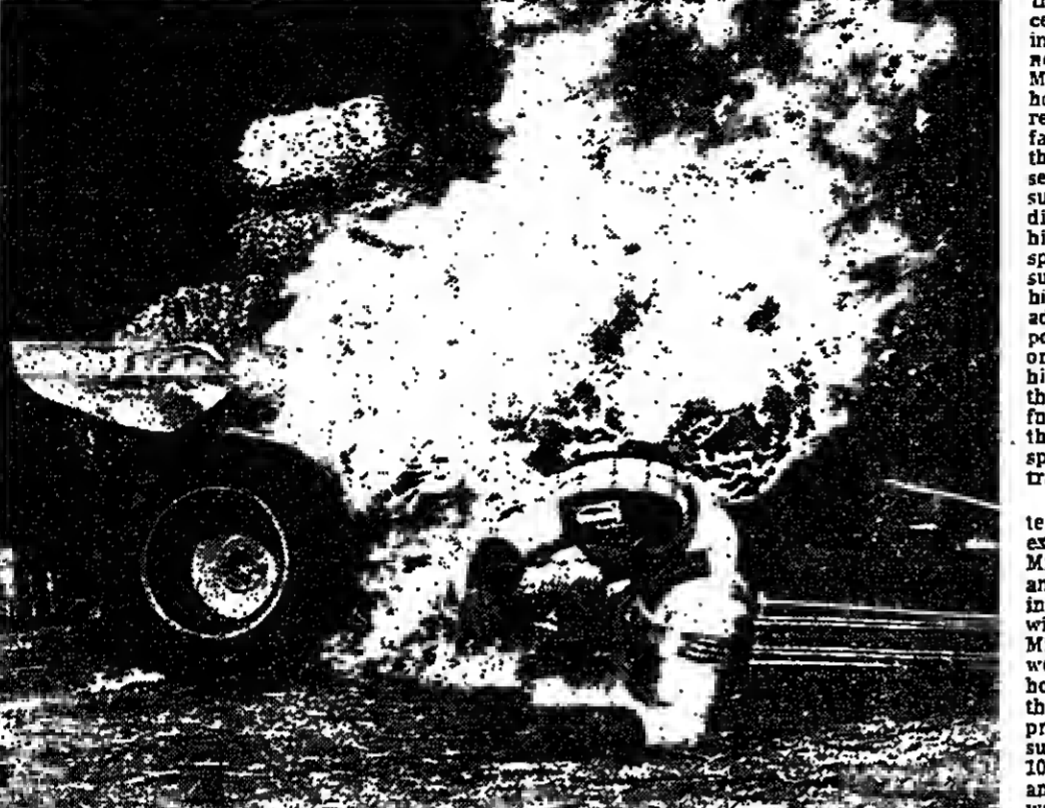
Playhouse, Oxford Ophelia by B. A. YOUNG

The characters in C. P. Taylor's *Ophelia* have little in common with the characters in Shakespeare's *Hamlet*; but their names, Mr. Taylor's *Ophelia* is as mad as Shakespeare's, however; all his action takes place to her mind through a series of flashbacks, while she sits staring into vacancy. Her reason has been destroyed by her first exposure to politics.

She was happy when she went to Elsinore as a girl. Queen Gertrude was kind to her. Prince Hamlet was friendly but distant. The new king, not yet crowned or married to his brother's widow, did what he could to make her feel at home, though he was too much concerned with his own business to pay her much attention. And there were her father Polonius and her brother Laertes always at hand.

Character is cleverly devised; it shows little development in itself but acts as a sounding-board for the evil that infects the court. She is a simple girl, unable to understand the elements of politics: "There must be some way we can all be happy!" she cries like a child, and that is as far as her philosophy reaches. Apart from her and Mr. Blatchley's Hamlet, the characters can only express themselves as "carnies." Morra Redmond is a beautiful, selfish, silly, Gratitude Peter O'Shaughnessy a Claudius Kincin in the Shakespearean mould. Basil Lord's Polonius kind and thoughtful, to his sick daughter, is as courtly as a noble when he is dealing with the unacceptable face of a sister. Laertes and Horatio (Tom Myrshaw) and Hamlet (Patrick) are well-trained young aristocrats who do what they conceive in be their duty with hardly an extraneous thought. I don't think Mr. Taylor has said anything new about the overtones of militant politics, nor has he written a dramatically exciting play. All the same, *Ophelia* should set you thinking, plays *Ophelia* in what might be a hospital dress, with her hair static though it may be, keeps the mind moving.

The play is more intellectual than dramatic. As sometimes happens with Mr. Taylor, the build-up is slow but is seen to have been worth while at the climax. Between the flashbacks we have to come back to poor mad *Ophelia* looking at the ducks in the lake, and the result is somewhat static. Jane Asher plays *Ophelia* in what might be a hospital dress, with her hair close to her head in a plait. The



A scene from 'Bobby Deerfield'

Love Story on wheels, recounting the doomed romance between racing driver Al Pacino and rich girl Marthe Keller. He neglects his career for her, and she eventually abandons him, dying: from one of those nameless movie diseases that afflict and finally extinguish lovers. All this is played out against a series of lush travel-brochure backdrops, and directed by Pollack as if every frame were purest gold.

Much more interesting is Gunnell Lindblom's *Paradise Place*. A family gathers at a country retreat for its annual summer holiday; but the vacation proves purgatorial rather than restorative. Old wounds are reopened, generations clash, the story ends with

Herbe is another of those French essays in adolescent love: two doe-eyed teenagers falling for each other while their parents fret and fume about exam results. Touching and funny, it is really somewhat slight.

But there is no point in pretending that the films themselves were of absorbing interest. The festival's trump card was its series of guest appearances. These afternoon sessions, beginning at 1 o'clock, were a feast for devotees of the celebrities on show. Mel Brooks was there to scallor comic book motifs among a hungry audience and to give us a sneak excerpt from his forthcoming film *High Anxiety*. Lauren Bacall was there to speak acerbically of the treatment meted out by Hollywood to

Bedford's direction, none of that coming untraced to simple passages that mars many professional operetta performances. But why did the programme describe Gilbert's Counsel for the Plaintiff as "for the Defendant"?

The triple bill was rightly designed to give a chance to as many students as possible. A few names must be mentioned. In the Parcell, the severest test of good singing, the counter-tenor Philip Newton, showed real distinction (and showed it again as the off-stage cat in *Tobermory*) but coaching had evidently been thorough. In the Gardner piece, we heard a strong mezzo, Clara Moll, as the governess. The Sullivan brought a lively, verbally dexterous Judge (Richard Stuart), a handsome, full-voiced soprano (Elizabeth Brice), and as Defendant, a useful light tenor with a gift for comedy (Keith Hoare). Further performances to-night, Monday and Tuesday with an alternative cast for *Trial by Jury*.

A little more about the theatre (architects Bickerdike/Allen/Bramble). The deep orchestra well, which looks small, in fact holds some 60 players, and the front can be lifted to serve as fore-stage in the main stage is large enough to provide rehearsal space for a symphony orchestra. Though officially open, the theatre is not entirely ready. Stage equipment (borrowed for the present production) is lacking. The geography of Sir Jack Lyons and the work of the RAM's 150th Anniversary Appeals Committee still needs capping.

Sir Jack Lyons Theatre Tobermory by RONALD CRICHTON

The new theatre for the Opera Class of the Royal Academy of Music was opened on Wednesday by the RAM's President, Princess Alice, Duchess of Gloucester. The four year wait since the cramped little stage and auditorium formerly on the site of Marlborough Road were pulled down, though it may have seemed endless to those most concerned, has been rewarded. The stage is now larger than the whole of the old theatre put together. The pleasant, small auditorium seating nearly 300, is simply but warmly decorated in grey and cyclamen pink—concrete there may be but it is neither seen nor felt. The sound, from a seat in the fifth row, was clear and well-balanced. There is not much extra resonance to help the voices, but they were not fighting. One believed what one heard.

For the occasion, John Gardner had written one-act operatic version with libretto by Gavin Ewart of the short story *Tobermory* by "Saki", the one about the family car endowed by a visiting zoologist with powers of communication which he uses to reveal indiscreet secrets about a house-party. I haven't read the story, but judging from what better educated colleague told me, the ending has been considerably altered. The inconvenient cat, having survived the efforts of one of the house guests to poison him, is conveniently destroyed off-stage by a marauding rival.

Gardner has written some ensembles—one before the zoologist's entrance, another after the cat's *Tobermory's* off-stage revelation.

and a quintet-epilogue which show a sure touch for light comedy in music. There are also two short instrumental interludes to mark the passing of time, which do precisely that, "Less happy at a first hearing was the setting of the sub-Coward, twenty-ish dialogue, and the vocal singers do not naturally tend for that reason, of course, excellent training. I suspect that the duet for Lady Blemley and Bertie is one of the good things in the score, though it did not quite make its effect on Wednesday. Stewart Bedford conducted. Dennis Maundner produced. The circular seat in the middle of the stage was an unnecessary obstacle.

Tobermory was preceded by the *Masque of the Seasons* from Purcell's *Pastorals*, conducted by the RAM's Principal, Sir Anthony Lewis, with his easy-seeming flair, for the right tempo, and followed by *Trial by Jury*, based on Sullivan's manuscript, full score, long lost but now in the Pierpont Morgan Library of New York. This small masterpiece of operatic burlesque was rompsily produced by Anna Sweeney. It was good to hear the mock-Handel and mock-Berlioz songs with full and enthusiastic choral tone. Though the *Jury* nodded briefly, chorus and orchestra remained firmly together under Mr. still needs capping.

The Guildhall School of Music and Drama has moved from its old home, John Carpenter Street on the Embankment, to a brand new site in the Barbican—a maze—a fine example in its own right of Mark II U-boat-pen architecture, confident reminiscence of the finer points of South-East style. The new Music Hall especially will warm the hearts of aficionados: a huge rectangular box, seating up to 500 people, its walls and ceilings composed of alternate blocks of knotty-pine planks and granite aggregate (sometimes known outside the trade as concrete). The floor, a crazy-paving of polished woodblocks, is pleasing. The acoustics are clear and fast, a brand new concert hall designed with all modern technological aids to hand) exceedingly dry.

It was apt, at least that the first public concert in the Guildhall, a new space short of rehearsal of works by two young British composers, organised by the Society for the Promotion of New Music, lauded by funds from now in the Guildhall. No doubt, thanks also for the durable shine on the floor). The conductor of the Royal Philharmonic Orchestra was Elgar Howarth, who took us first through some of the trickier passages, and then through a complete performance of *Elegy* by Donald Hart (b.1953)—a very decent and capable 15-minute orchestral essay, clearly and cleanly made.

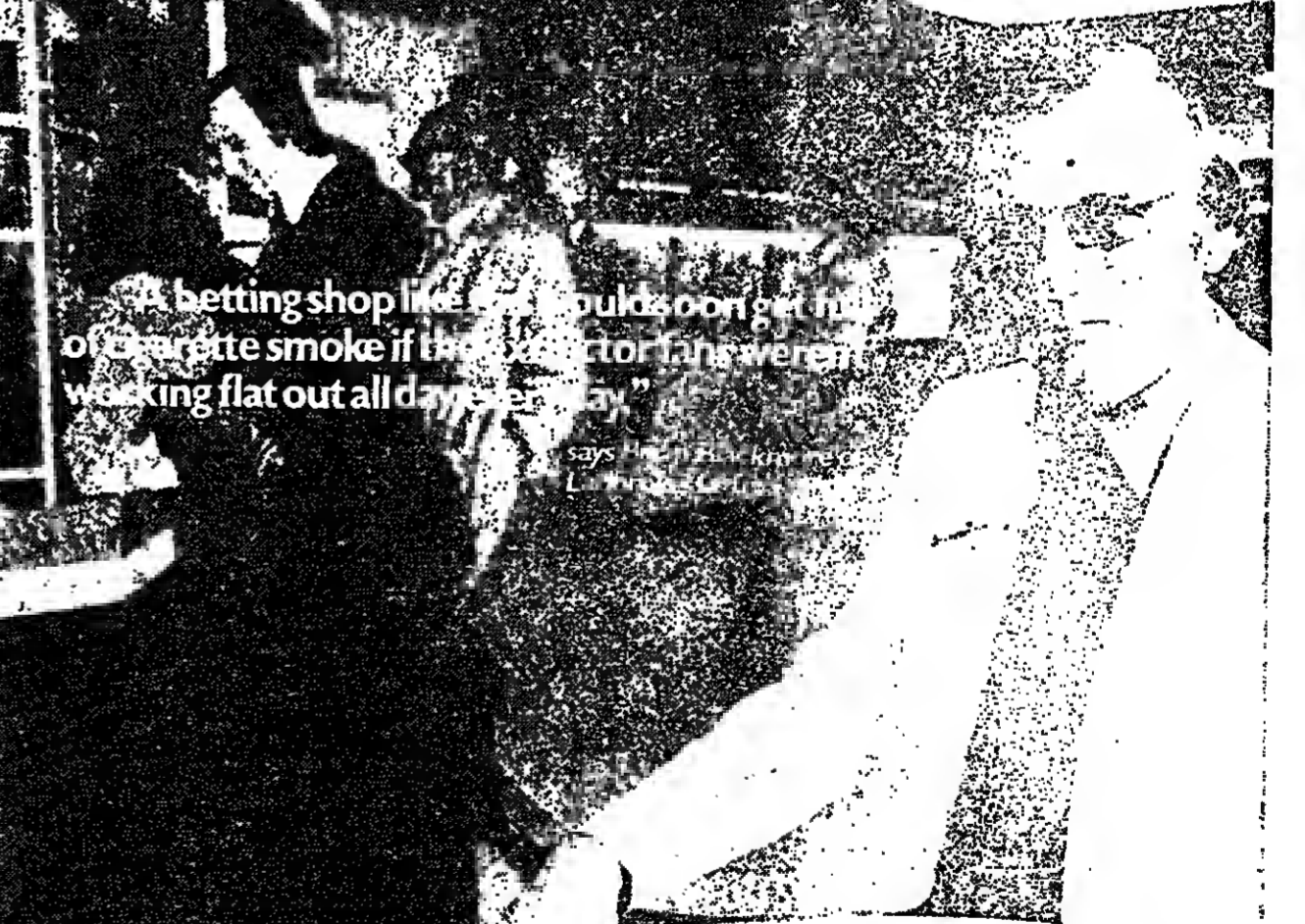
Sleep by Chris Sanson (b.1950), scored for a large string orchestra of 60 players, with piano, celesta, harp and three percussionists, was at once more adventurous and more complex. Over-ambitious too, and on its own terms perhaps less successful; but it made some very propositions, had energy and life and left behind it, as Hart's piece did not, an afterglow of real ferment, and fruitful working. It is a work of layers and contrasts—notably of subtle shades of timbre within a generally monochrome frame. One section made imaginative, if injudicious use of collage and quotation. The end seemed the weakest part: a sudden departure, (though waking can be sudden), as if the composer had lost interest, or worse, lost presence of control.

Guildhall, Barbican Open Rehearsal

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St. John's, Smith Square Memorial concert by DOMINIC GILL

On Wednesday evening at St. John's, the London Sinfonietta were engaged by the Library Association and the International Association of Music Libraries (U.K.) to play a concert in memory of Lionel McColl, the late president of the Association (and notably one of the principal forces behind the establishment of the Central Music Library in Buckingham Palace Road in 1948).

It was a nicely varied programme, framed by Ravel's *Introduction and Allegro* and the Schubert Octet, touching by the way on *Madam No. 1*, a technique of the writing nor

successful very well in catching each poem's brittle, individual character. I concentrated on the words, and quote one specially satisfying example, "Hymn to the moon":

Luna, dulcine,
Moon, nemo,
Drown, woe,
In mutual autumn
I go;
Feel fog rob all life;
Fill labor
Go, fog fog
In mutual autumn
I drown, woe,
Word: omen: o omen.
O, Luna, dulcine,

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EUROPEAN NEWS

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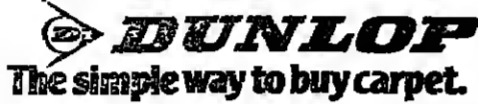
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Russia to introduce high speed train

By David Satter
MOSCOW, Oct. 27. THE SOVIET Union is completing test runs of the 125 mph ER-200 "super express" train, which is scheduled to make its first trip with passengers between Moscow and Leningrad shortly. The newspaper Komsomolskaya Pravda reported today that the Riga manufactured ER-200, which is intended to compete with the aeroplane and has taken eight years to produce, will tomorrow make its last test run along the 400-mile route. The bullet-shaped train has 14 cars and is able to carry 450 passengers. It is expected to make the trip between Moscow and Leningrad in three and a half hours and is equipped with an automatic piloting device which can be set in advance to programme the train to slow down at stations.

W. German chemicals stagnating

By Guy Hawtin
FRANKFURT, Oct. 27. THE WEST German chemical industry's sales are virtually stagnating. Turnover in the first nine months of the year grew by only 1 per cent, and it looks as though this will be the industry's overall growth rate this year. To-day's prediction was made by Professor Rolf Sammel, chairman of the giant Hoechst chemical group and president of the West German Chemical Industry Federation. He pointed out that third quarter sales growth had fallen well below the average 1.8 per cent. in the first half of the year.

France details S. Africa arms deals

BY ROBERT MAUTHNER

M. AYON BOURGES, the French Defence Minister, said today that France had not signed any arms contracts with South Africa for more than a year, nor had it supplied South Africa with any new arms during this period. Speaking at a luncheon of the Anglo-American Press Association, the Minister stressed that all previous arms contracts between the two countries had been carried out, with the exception of those for oval equipment. Two Agosta Class submarines and two Aviso escort vessels were still under construction for South Africa in French yards under old contracts, which

would be the last to be honoured. M. Bourges admitted, however, that South Africa was producing some French military equipment under licence, such as Mirage F1 fighter bombers and Panhard armoured cars, and that, having sold the licences, France no longer had any say. But the problem is not quite as simple as this, according to informed sources. Two kinds of licensing agreements have been concluded by France and South Africa. The one covering the Mirage F1 provides for the construction of a maximum of 75 aircraft, with French officials

ensuring that this ceiling is not exceeded. In the case of land equipment on the other hand, South Africa is entitled to produce an unlimited quantity. According to figures supplied by the National Assembly's defence commission, France exported Frs.11.8bn. (about £1.4bn.) worth of arms to other countries in 1976 and received export orders totalling Frs.18.5bn. Its exports of arms amounted to 37 per cent of total sales last year, while export orders in 1977 are expected to represent some 40 per cent of the industry's total turnover.

PARIS, Oct. 27. Meanwhile, the Defence Commission has rejected the Government's military equipment budget for 1978 because it considers the oval credits to be "catastrophically low." In particular, the Commission has asked for credits for the construction of a sixth nuclear-powered submarine, a project abandoned by the Government to be reinserted in the budget. M. Bourges will be given a hearing by the Commission early next week before the budget is put to the vote in the National Assembly. South Africa's armoury, Page 7

FRENCH FOOD EXPORTS

A smaller slice of the pie

BY DAVID CURRY

FRANCE, the world's largest exporter of food apart from the U.S., is getting worried about how long it can maintain this position. As the television advertisements keep hammering home: "France has no oil—no economy." France usually has a massive surplus of basic foods, though it has been wanting. The seven-year plan envisages pushing it up to as much as Frs.20bn. to help pay for the import of energy, but even officials admit that the target is not realistic. These worries have become acute with the realisation that up to the end of August France had a deficit of around Frs.2.7bn. in food trade. Although successive harvests with the weather have a lot to do with this, and the good harvest should allow the deficit to be eliminated by the end of the year, the shock has nevertheless been acute.

The main problem is that a good half of French food exports—which totalled Frs.45bn. (£5.3bn.) last year—are sold in bulk with no or very little processing, and the biggest part goes to the EEC countries. As these countries become more self-sufficient France will have to look farther afield for its sales. It can only do this, and main-

tain its exports to the community countries, if it can start adding a lot more value to its food exports, which means making a big effort in food processing. This was more easily said than done, because the French food processing industry is fragmented, small-scale (the obvious giants excluded), and weak in both financial resources and marketing skills. These problems have been exercising successive Governments for long enough, but the main effect has been to generate bureaucracy rather than exports. A new food export committee, to be headed by the Trade Minister M. Andre Kossi, has just been set up, to be welcomed by "here we go again" sentiments from the industry.

The big men apart—and there are also four co-operatives in the top 10 per cent food concerns—the small, often family-run business in the rural areas, where there are nearly 2,000 companies employing 10 or more people. But 12,000 employ fewer, and this is in a sector which has a turnover of Frs.138bn. (£16bn.) a year and employs half a million people—second only to construction and public works. Fewer than 200 concerns have any sort of national identity. While foreign food companies have disengaged from France to some extent, the small-scale industry has permitted what the Ministry calls the "colonisation" of the sector, notably in the high added-value items. Around 30 per cent of the production of soups and broths is under foreign control, around 60 per cent of that of animal nutriments, margarine and condiments, and about half that of confectionery. Once again, the French counter-attacks overseas has been predominantly in the drinks field. The private sector is not in the mood to launch a patriotic drive to process more food. It complains that its profit margins are intolerably squeezed between guaranteed prices to the farmer and price controls. Everyone complains about the dilution of export trade, but the growth of the EEC monetary compensation amount system. Some of the smaller manufacturers argue that the big distributors are disproportionately powerful compared with manufacturers. At the level of the Ministry there is a lobby which would like to see French Vullergr and Nestle put together to carry the flag, but in the absence of volunteers to offer piggy-backs to half the industry this has not got very far.

In 1974, France's food trade surplus was just short of Frs.10bn. It fell to Frs.4.3bn. in 1976, and will end in rough equilibrium this year. Put another way, in the five years to 1976, the proportion to which exports covered imports in intra-EEC trade fell from 207 to 150 per cent. The French surplus rests on an uncomfortably narrow base, if cereals and drinks are excluded, according to the Ministry of Agriculture, the French deficit has increased from Frs.4.5bn. in 1974 to Frs.9.5bn. last year.

What has been happening in the EEC markets has also encouraged Ministerial dismay, of which less than one in five years to last year, France's self-sufficiency in wheat depends on the U.S. for some 10 per cent, and on the Third World for 10 per cent, and in butter from 95 to 136 per cent.

There are products like coffee, cocoa, cotton, tropical fruit, vegetables and oils which cannot be produced locally. Such imports impose a deficit of some Frs.7bn. Oils and fats are rather different. The country's consumption of nutrient oil is 500,000 tonnes a year, of which only one-seventh is produced in France. Farm animals get through 2.5m. tonnes of oil cake annually, of which less than one-third is home-made. France depends on the U.S. for soya, in eastern Europe for sunflower oil, and on the Third World for peanut oil.

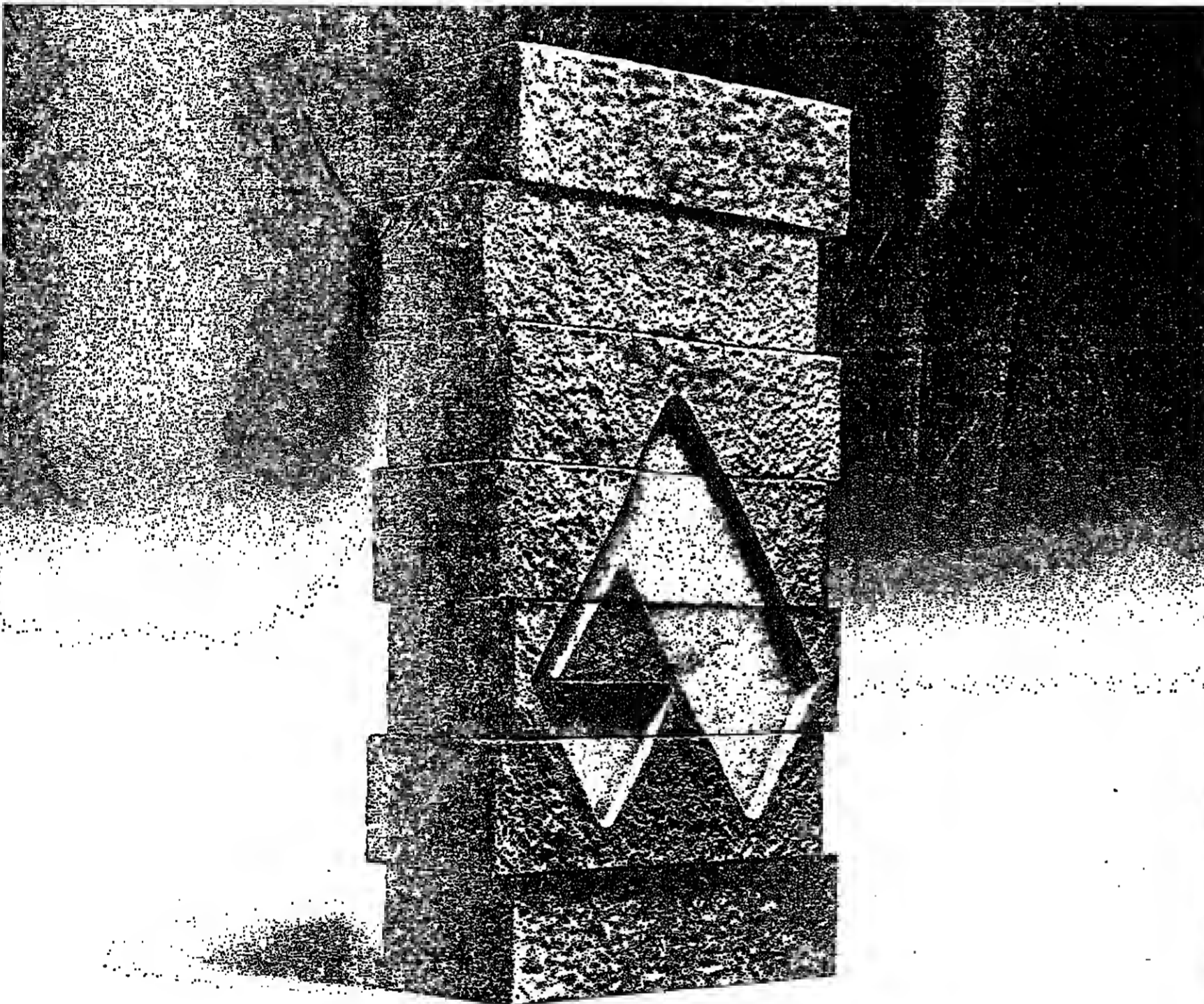
A more modest set of measures is now being prepared under the aegis of the new council. They include an insurance scheme against MGA variations, extra cash for promotion, additional aid to finance stocks of spirits (already done for cognac and champagne) and credits for export training. There is also the general effort, ballyhooed slow, to improve the quality of production at the level of the peasant—a recognition that the EEC system of guaranteed prices has encouraged the production of low-grade and non-exportable produce.

Cereals, as has been pointed out, are France's big bread-and-butter export. Besides a 1976 surplus of Frs.8.3bn. on cereals themselves, there was a Frs.2bn. surplus on cereals-based products like flour, malt, starches and animal feeds. Sugar, backed by the immensely strong beef-farming lobby, earned a net Frs.1.9bn., while milk products, with cheese in the front rank, brought in a Frs.3.27bn. surplus. Butter is only in surplus because of EEC subsidised sales outside Europe, while some large retailing chains are selling German liquid milk because it is cheaper than the local product.

The most successful export, both in value added to the raw material and in marketing glamour, is drink. Quality wines and the spiritus brigio to Frs.2bn. each annually and champagne, including sparkling wine about Frs.1.5bn. The problem is table rather than the food business.

This dependence on imports is a big plus that on paper and wood, and makes it the second most persistent shortfall to the balance of payments after energy. Fruit and vegetables have both been in severe deficit recently. The weather can take a large amount of the blame. Annual imports of Frs.500m. of tomatoes help to explain French doubts on EEC enlargement towards the south. France's imports of jams and preserves are three times the size of its exports.

Adding value means manufacture, and when it comes to maout, factoring the picture is chaotic. Of course, the industry has its glants—in BSN-Geravis-Danone, in the two big sugar groups, Beghin-Say and Générale Sucrière, in the Goldsmith company Générale Alimentaire, in glamour, is drink. Quality wines and the spiritus brigio to Frs.2bn. each annually and champagne, including sparkling wine about Frs.1.5bn. The problem is table rather than the food business.



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General Mining Group

COAL MINING COMPANIES' REPORTS FOR THE QUARTER ENDED 30th SEPTEMBER, 1977

(Both Companies are incorporated in the Republic of South Africa) (All figures are subject to audit)

	Quarter ended		Comparative Quarter previous year
	30.9.77	30.6.77	
Tons sold	5,282,180	5,313,000	4,929,900
GROUP INCOME	R(000)	R(000)	R(000)
Net Income from mining and allied activities	6,959	7,596	6,984
*Add: Financing and sundries	324	1,710	(525)
	7,283	9,306	6,459
Deduct: Taxation	2,206	2,597	1,183
Outside interest and joint venturers	642	614	1,216
NET GROUP INCOME	4,435	6,095	4,060
CAPITAL EXPENDITURE	1,252	2,078	935
*Note: Includes non-recurring profit/(loss)	(119)	776	

On behalf of the Board G. CLARK W. J. de VILLIERS Directors

THE CLYDESDALE (TRANSVAAL) COLLIERIES LIMITED

	Quarter ended		Comparative Quarter previous year
	30.9.77	30.6.77	
Tons sold	1,101,000	1,164,000	1,064,000
INCOME	R(000)	R(000)	R(000)
Net Income from mining and allied activities	1,187	1,501	1,260
Other income	62	109	19
	1,249	1,610	1,279
Deduct: Taxation	488	581	505
NET INCOME AFTER TAXATION	761	1,029	774
CAPITAL EXPENDITURE	300	131	496

On behalf of the Board D. GORDON G. CLARK Directors

Secretaries: General Mining and Finance Corporation Limited, 6 Holland Street, Johannesburg 2001, 27th October, 1977. London Office: Princes House, 95 Gresham Street, London, EC2V 7EN.

EUROPEAN NEWS

EEC INTEGRATION

Schmidt sees no closer links

BY OUR OWN CORRESPONDENT
THE WEST German Chancellor, despite the economic problems...

BONN, Oct. 27.
recently reaffirmed that West Germany's ultimate objective remains European union.

Hijacker identified as London assassin

By Our Foreign Staff
THE LEADER of the terrorists responsible for the recent Lufthansa jet hijack was also responsible for the assassination of former North Yemeni Premier Abdullah al-Hajri in London seven months ago...



A raised clenched fist and a consoling arm for the mother of Andreas Baader, the West German terrorist buried in Stuttgart yesterday with two of his comrades. On Mrs. Baader's left is Rev. Helmut Ensslin, father of Gudrun Ensslin. Andreas Baader's girlfriend and one of the three terrorists found dead in their jail cells last week.

Baader terrorists buried in common grave

BY JONATHAN CARR
THE THREE West German terrorists who died last week in Stuttgart-Stammheim Jail were buried today in a common grave in the city's Dornhalden cemetery.

Jenkins urges new look at European monetary union

BY ROBIN REEVES
A POWERFULLY argued prospect of EEC enlargement will face us with the clear choice either of a strengthening of the Community or of tacit acceptance of a loose customs union, far removed from the hopes of its founders...

BRUSSELS, Oct. 27.
industry and commerce than is possible under customs union alone, in that exchange rate risks and inflation uncertainties...

SWINDON HAS INCENTIVES NO GOVERNMENT CAN OFFER

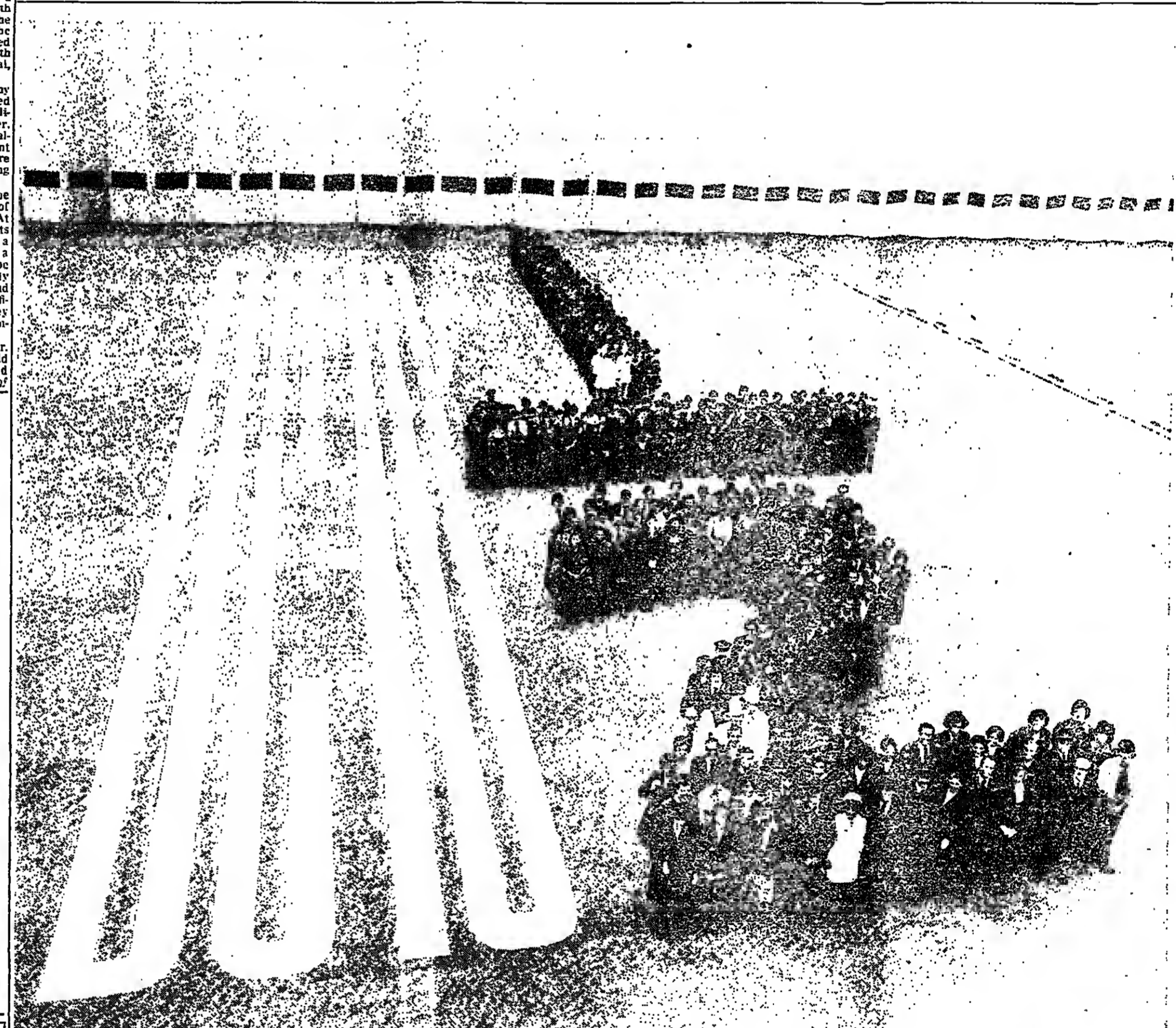
Government aid is the last thing you need in an area like Swindon. Our location, communications and work-force availability are second to none.



COMPANY NOTICE

WOODSIDE PETROLEUM LIMITED NOTICE OF CALL

NOTICE IS HEREBY GIVEN that the First Call of 30 cents (being 10 cents capital and 20 cents premium) on all the Partly Paid 1977 Issue Shares in the capital of the Company has been made due and payable at the share office of the Company, 11th Floor, 151 Flinders Street, Melbourne on Monday, 14th November, 1977.



The people at British Caledonian make a little more of their DC-10s to South America.

If we were the only national airline flying the world's most comfortable plane to South America, life would be easy. But we're not. So we have to make our DC10's into something more enticing than theirs. Namely DC10 1/2's. Because, unlike most of those others, we're an independent business. To stay in business, we have to do everything just a little better than they do. Fly with us to Caracas, Lima, Rio, Recife, Buenos Aires, Santiago or São Paulo just once and you'll see what we mean.



AMERICAN NEWS

CAB routes plan sent to President

By John Wyles
NEW YORK, Oct. 27. THE CIVIL Aeronautics Board (CAB) today sent proposals to President Carter for expanding transatlantic air services by giving a further 11 American cities direct links to London and Europe.

The President has the power to amend or reject the proposals which will, however, become effective once they receive his signature. In essence, the CAB draft is identical to one submitted to President Ford in July last year but certain changes have been made to accommodate the new Anglo-American Bermuda agreement on bilateral air services which was negotiated in June.

The CAB plan renews Trans World Airlines' existing temporary landing rights in Europe and adds Cleveland, Pittsburgh, St. Louis, Denver, Kansas City and Minneapolis-St. Paul to its service schedules.

North West Airlines would have given a new route from Seattle, Portland, Los Angeles, Minneapolis-St. Paul, Chicago, Detroit, Washington, Baltimore, New York, Newark and Boston to Scotland, Denmark, Norway, Sweden, Finland and Iceland. Delta Airline would receive a new route between Atlanta and London.

Bot Pan Am and TWA are designated non-stop carriers to London from New York and temporarily Boston.

Carter again delays tax package

By JUREK MARTIN, U.S. EDITOR

WASHINGTON, Oct. 27. PRESIDENT Carter today showed compliments on Dr. Arthur Burns, but said he had not yet decided whether to keep him on as chairman of the Federal Reserve Board after next January.

The President contended that he was not disturbed by Dr. Burns' criticisms of Administration economic policies and his call yesterday for a "bold tax policy" to improve the climate for business investment. But Mr. Carter also disclosed that he was postponing, for the second time, presentation of his tax reform package, on this occasion until after Congress had completed work on both the energy uncertainty and a need for higher profits, a central theme of

Dr. Burns' speech yesterday. The chairman, the President said, was "able, outspoken and independent," and he welcomed his criticisms, both public and private. The latter, he added, were often sharper, and his "bonnet differences of opinion."

But Mr. Carter's view was that his Administration had tackled so many problems—he cited energy, social security, tax and welfare reform—because they were of such a magnitude that we couldn't ignore them. He asserted that he expected the climate for business to improve after his policies had been fully debated by Congress and enacted into law.

Dr. Burns' view is that the Administration has taken on too much and that business cannot operate when so many critical policies are simultaneously up in the air. The postponement of the tax reform package, therefore, is likely to prolong that mood of unease—though, in fairness both to the President and to the Congress, it is hard to face a steady passage through Congress, irrespective of when it is formally unveiled.

Mr. Carter also said that he was not considering a separate tax cut for businesses and individuals as an economic stimulus to be presented before the reform package. The purpose of the latter was "improved equity, to create investment capital and to simplify the entire tax structure."

The degree to which we will have tax cuts to stimulate the economy can only be assessed after we see how much of a drag on the economy the increased social security taxes might be, and the rate of growth in the economy, he stated. This could only be done, "at the end of this year."

Mr. Carter opened his Press conference with another exhortation for congressional passage of an energy Bill close to his original proposals. Action on a national energy policy, he said, "is the test of the ability of our democratic system to respond to a recognised threat."

At an earlier meeting today, the President invited Congressmen from steel districts that he would unveil a policy to help revitalize the U.S. steel industry within the next few weeks.

Surge in exports cuts U.S. trade deficit

By OUR OWN CORRESPONDENT

WASHINGTON, Oct. 27. THE U.S. trade deficit contracted sharply last month to \$1.72bn. from the \$2.67bn. in August, largely because of a surge in exports, which reached a monthly record.

As the Commerce Department acknowledged, however, anticipation of the American dock strike probably lay behind this, as exporters pushed through shipments faster than usual to beat the closure. With the East and Gulf Coast ban on the handling of container ships now nearly a month old, continued distortions in the trade figures are likely in the months ahead.

In September, exports totalled \$19.9bn., seasonally adjusted,

beating the previous record of \$10.4bn. set in December last year. In August, exports had only been worth \$9.56bn., while the monthly average for the first eight months of the year had remained below \$10bn.

Imports resumed an upward growth that had been interrupted in July and August, rising to \$12.63bn., 3.3 per cent. more than in August and the highest level for any month of the year except June.

Oil imports once again increased appreciably by \$375m. to \$3.7bn. in September, suggesting that the annual oil import bill will be very close to \$45bn. Although

imports of coffee declined by 17 per cent., there was a 22 per cent. rise in shipments of foreign iron and steel, a statistic that will undoubtedly be used in the arguments for and against protection for the domestic steel industry.

The resultant overall deficit in September of \$1.72bn. was the third smallest of the year, if nonetheless brings the shortfall for the year to date to \$18.2bn., nearly four times the previous record for a full year and more than six times larger than the first three quarters of 1976. Indeed, factoring out the unquantifiable but significant

impact of the impending dock strike, there is little in the September figures to suggest that the Administration's forecast of a \$30bn. trade deficit for the full year will not be realised.

Some officials drew minor encouragement from the fact that exports of U.S. heavy machinery and transport equipment rose by over \$500m. in September compared with August. But with the economies of most of America's major industrialised trading partners, the largest purchasers of such goods, registering minimal growth, the prospects for continued strength in this sector look dubious at best.

Coping with style and substance

By JUREK MARTIN

WASHINGTON, Oct. 27. JIMMY CARTER had a novel experience at his news conference today. The questions were nervously deferential, couched humorously, but their import was clear: Can you cope, Mr. President? Is your Administration inept? Aren't you trying to do too much? Is there a prejudice against outsiders from Georgia?

Former President Richard Nixon once volunteered the unsolicited opinion that he was not a crook. It wasn't said because no journalist had ever sufficiently lost his awe of the Presidency to stand up on national television and pop a question on that topic.

However, these are less reticent times, and the questions put to Mr. Carter today reflected much political and Press comment here recently. A lot of this comment has been staggeringly inconclusive, or simply tacitly motivated, or simply born of Washington contempt for "outsiders" (America's most distinguished liberal commentator disdaintfully referred to Mr. Carter's advisers as "parochial"). But today's questions drew some interesting answers.

While never admitting that he was trying to do too much, Mr. Carter did say at the end of a long answer that, well, perhaps it was accurate to say that most of the major issues that needed to be tackled were now being debated and that, though new subjects might crop up and old ones recur, the initial deluge was over.

One almost got the sense that Mr. Carter revelled in being off the list of the issues that he had broached, foreign and domestic. These were problems that were 1,000 years old (the Middle East) and problems that could no longer wait. "I could not bring myself as President to delay them simply so as to avoid controversy," he said.

It is often said of Mr. Carter that he tries to do too much himself; his intelligence is no longer in dispute, but the allocation of his energies is. And today he showed that, perhaps, here was a grain of truth.

"I think it is better to get it on the table, have an open debate, let the public get involved, let Congress state its leaning about it, let me learn more about it," he said, with nothing less than the palpable enthusiasm of the true believer. "I see nothing wrong with this approach. And I wouldn't do it differently."

And, having warmed to his task, he added that he could not see any reason to change the White House staff either. Or clearly himself: "I've always tried... not to be timid or reticent about confronting problems. Yes, he had heard a lot of complaints from people who had come to see him, but he thought that that was something to do with a squawk or a whine, not a real issue. And, anyway, six months ago he was accused of being all style and no substance. Now he was being criticised for the reverse. In this, at least, he indisputably had a point.

Unsuccessful Vance bid to allay Israeli lobby's fears

By OUR OWN CORRESPONDENT

WASHINGTON, Oct. 27. AN ATTEMPT by Mr. Cyrus Vance, the Secretary of State, to ease the fears of the American Israeli lobby over current U.S. Middle East policy apparently backfired last night.

Several leaders of a 70-strong delegation emerged from a private and protracted session with Mr. Vance in his office to complain that they still discerned an anti-Israeli trend in American policy and that the Secretary of State had largely failed to dispel their misgivings.

Rabbi Alexander Schindler, chairman of the Conference of Presidents of major American Jewish organisations, said that "we certainly appreciate President Carter's sincerity in trying to achieve a lasting peace, but we are frustrated and angry because we perceive certain policies of the Administration which in our judgment will not achieve those noble purposes, but in fact will pervert them."

The specific complaints of the Israeli lobby have by now been well documented. They are

headed by concern that the U.S. is about to reorganise the Palestine Liberation Organisation (PLO) and give it a formal role at the Geneva conference (though Mr. Vance denied yesterday this was the case). They have been compounded by the joint Soviet-American statement on the Middle East of October 1, which has been interpreted as permitting the re-entry of the Soviet Union into the Middle East arena from which it had apparently been expelled.

The Jewish leaders reportedly also told Mr. Vance that U.S. policy had had the effect of uniting Jewish opinion in the U.S. behind Mr. Begin's government in Israel to a degree that would have seemed impossible some months ago.

This is a matter of deep concern to the Administration, whose Middle East policies are now saddled with a more intransigent and popular Government in Tel Aviv, which can put the powerful Israeli lobby in the U.S. to work at will.

Move to limit OPEC rise

By ANDREW WHITLEY

TEHRAN, Oct. 27. MR. Michael Blumenthal, the U.S. Treasury Secretary, today sought the help of the Shah here on limiting any oil price increase that might be agreed at the forthcoming ministerial meeting of the Organisation of Petroleum Exporting Countries (OPEC) in Caracas.

Reiterating themes stressed to the Kuwaitis earlier on in his Middle East tour, Mr. Blumenthal discussed the current oil glut in the West, and the problems any sharp increase would cause countries still struggling to absorb previous price increases.

The Treasury Secretary is also said to have reassured Iran that

there would be no impediment placed in the way of their equity holdings in the United States, such as there has been in the past.

An unexpected aspect of the talks—described by members of the U.S. party as friendly and practical, and more than meeting expectations—was an agreement to explore ways to help developing countries through the medium of the United Nations.

The unfairness of the world economic order, and the comparative failure of the North-South dialogue, are current preoccupations both of the Shah and of the Iranian media.

Alaska lease sale opened

ANCHORAGE, Oct. 27.

MR. EDWARD HOFFMAN, an Interior Department official, opened today's Alaska oil and gas lease sale. He said that there were 240 bids submitted, down slightly from the 243 bids submitted in the 1976 Gulf of Alaska sale.

In early bidding, Tract No. 8 drew seven bids with the highest bidder being Phillips Petroleum with a bid of \$48.4m.

In today's sale about one-third of the tracts are being offered on a competitive royalty bid basis. However, in early bidding, none of the royalty tracts had drawn any bids.

On Tract No. 14, which drew six bids, a group led by Marathon was the apparent high bidder.

Mexico oil and gas reserves

MEXICO CITY, Oct. 27.

MEXICO'S 120bn. barrels of possible oil and gas reserves "can solve the country's economic problems," Jorge Diaz Serrano, Director General of Petroleos Mexicanos (Pemex), said today in a speech to the Mexican lower house.

"The potential of 120bn. barrels include crude oil, liquid gas, and natural gas," figures cited by the Mexican Institute of Petroleum, Mr. Serrano said.

He said that proven reserves total 14bn. barrels of crude oil with an additional 2.5bn. barrels ready to come on stream. He put the total value of the proven reserves at over \$20bn. Pemex currently exports about 150,000 barrels a day to the U.S. at a price of \$13.40 a barrel.

Search for new IMF head

By OUR OWN CORRESPONDENT

WASHINGTON, Oct. 27. THE EXECUTIVE Board of the International Monetary Fund is meeting this morning to thrash out the modalities of choosing a successor in Dr. Johannes Witteveen, who is retiring in May of next year from the managing directorship.

The actual selection of a new head rests with the Board and there is no suggestion that it should be divested of this authority. But Iran, backed by several developing countries, has forcefully expressed the view that the Board should not merely be presented with a fait accompli of a successor arrived at as a result of private negotiations between the most powerful nations.

This steering committee, comprising some or all of the 20 member Board, is likely to be established to ensure as free a flow of information as possible about the merits of the various candidates and the views of individual nations. Although it appears increasingly unlikely that developing countries will be able to produce a contender of their own, they appear determined to exercise some influence over the choice of a successor. They feel that they were deprived of even the right of consultation in the selection of the previous two managing directors, Dr. Witteveen and M. Pierre Paul Schweitzer.



Instead of throwing money away on wasted energy, why don't you carpet the warehouse?

Wouldn't it be cosy and welcoming. A fitted broadloom, everywhere. So soothing to work on, albeit a trifle impractical. And probably quite expensive. But never mind, you're probably laying out an equivalent amount of money already without even realising it. Most small to medium size companies in Britain are wasting between 10% and 15% all the time. On heating, lighting and power. Which means that if your fuel bills are £10,000 per annum, that's £1,500 wasted. If they're as high as £1 million, that waste could be £150,000. Right! How can you stop it? First, call our Energy Quick Advice Service. It's a Freefone service to answer immediate questions on non-domestic energy problems. It applies to England, Scotland and Wales only and there are three different numbers. Dial 100 and ask for Freefone 3140 for buildings queries. For

production and transport queries it's Freefone 6222 in England and Wales, and Freefone 8305 in Scotland. Second, use the coupon to send off for our wide range of energy saving technical booklets. They're free and cover many aspects of industrial energy loss. But most important, use the coupon to arrange for an Energy Survey. We'll send you a list of independent consultants. The one you choose will spend one day on your premises evaluating your specific areas of energy wastage. It'll cost you a modest fee, up to £60 of it now being paid by us. Your consultant will send you a report which may advise the economic lagging of a set of pipes you hadn't noticed. Or it may recommend installing a heat regenerator wheel to recover the heat from spent hot air, which could result in substantial savings in fuel and money.

Form with fields for name, company, address, and a list of energy saving topics to check interest in, such as 'Energy audits', 'Flue gas heat recovery', etc.



Handwritten Arabic text at the bottom of the page.

OVERSEAS NEWS

Western accord near on South Africa arms ban

WESTERN MEMBERS of the United Nations Security Council... reached substantial agreement on a draft resolution to impose a stricter ban on arms sales to South Africa...

Saudi pledge to fight Israel

BEIRUT, Oct. 27. PRINCE SAUD BIN FEISAL, Saudi Arabian Foreign Minister, said yesterday that the Kingdom would sacrifice the blood of its sons... to fight against Israel.

SOUTH AFRICA AND THE UN Well armed against its sea of troubles

HOW WOULD a mandatory United Nations embargo on arms supplies to South Africa affect the country's military capability? The question is now far from academic...

Table with columns: Primary supplier, Approximate date of agreement, System, Quantity. Lists arms agreements from 1971-77 including Exocet missiles, Agosta class submarines, etc.

Even if a mandatory embargo is imposed, South Africa already has a strong defence capability... It is possible—but not certain South Africa seems in no danger of having to fight a conventional war...

Biko inquest adjourned

JOHANNESBURG, Oct. 27. THE FIRST formal inquest hearing into the death of Mr. Steve Biko... was adjourned until next month.

Israel admits to problems on conscription

TEL AVIV, Oct. 27. ISRAEL has acknowledged for the first time that it is having problems with people evading military conscription...

Nkomo calls for major changes in Rhodesia plan

MR. JOSHUA NKOMO, the Rhodesian nationalist leader, yesterday called for fundamental changes in the Anglo-American peace plan... He said the plan would drastically reduce British influence...

U.S. companies in new Egypt oil exploration

CAIRO, Oct. 27. THREE American companies—Conoco, Marathon and Shell U.S.—signed a \$26.5m. final agreement with the Egyptian Government today for oil exploration in the Bahariya (northern) oasis of the Western Desert.

PM confirms Australia poll date

CANBERRA, Oct. 27. MR. MALCOLM Fraser, the Australian Prime Minister, today confirmed arrangements for a national general election on December 10. It will be the fourth general election in five years.

Hua still faces radical threat

BEIJING, Oct. 27. MORE THAN a year after the purge of the Gang of Four, Mao Tse-tung's successors have been forced to confess their failure to eliminate the influence of the extreme Maoists and their radical dogma from China's political life.

"And on your chosen subject, Office Communications, you passed on five questions..."



"The world's fastest-selling plain paper copier is... the Infotec 1101. The world's fastest facsimile transceiver is... the Infotec 6000. It can send an A4 document from London to New York in just 35 secs. The Infotec 7000 is the UK's best-selling word processor.

WORLD TRADE NEWS

S. Korea buys ITT telephone equipment

By Our Own Correspondent BRUSSELS, Oct. 27. INTERNATIONAL TELEPHONE and Telegraph Corporation said today that it is to supply its electronic Metaco 10C equipment to the Republic of Korea under a telephone switching expansion programme valued at \$500m.

Lower costs at ICI hit West German chemicals

BY LESLIE COLTIT

BERLIN, Oct. 27.

WEST GERMAN chemical manufacturers are facing growing competitive pressure from Britain's ICI as a result of wages and fringe benefits for British workers which are said to be less than half those paid to chemical workers in West Germany.

This is the view of top German chemical industry executives who are gathered in West Berlin for the 100th anniversary of the German Chemical Industry Federation.

Dr. Herberth Gruenewald, chief executive of the Bayer company, notes that comparative wages and social benefits paid per working hour come out to DM19 for the German worker and DM8 for the British worker.

Strike hits production for £100m. Soviet order

By Rhys David

THE FIRST of 42 gas turbine pumps, part of the biggest-ever contract won by the U.K. from Russia, is due to be shipped from Britain within the next month.

Decision soon on Metro order

By JOSEPH MANN

CARACAS, Oct. 27.

THE PRESIDENT of the Venezuelan State company overseeing construction of the Caracas Metro said that the foreign group holding a "greater option" for winning the rolling stock contract for the Caracas rapid transit system included those from France, West Germany, Japan and the United States.

Technical evaluation of seven international bids on supplying 240 rapid transit cars, 4,500 tonnes of steel rail and other equipment has been completed and a Government panel is now evaluating the financial offers made by each participant.

Whoever is chosen for this job will clearly have an advantage in bidding for future rolling stock and equipment contracts which will be let as the rapid transit system is expanded during the next decade.

Call for EEC rule on tanker ballast tanks

BY WILLIAM DULLFORCE

STOCKHOLM, Oct. 27.

MR. SVEN SALEN, the new chairman of the Swedish Shipowners' Association, today urged the EEC Commission to make segregated ballast tanks obligatory on all oil tankers trading within EEC waters.

There would be no mixing of oil and water and the oil spillage in harbours and close to coasts would be reduced.

Conceived as an anti-pollution measure, the regulation would also reduce the oil-carrying capacity of tankers, as more compartments in the ships would have to be reserved for ballast water.

Swedish shipowners were ready to accept the regulation and the Swedish Government would certainly follow a lead set by the three major oil-importing areas.

Hong Kong use of quotas at low level

By Philip Bowring

HONG KONG, Oct. 27. THE CONCERN that the EEC is currently expressing over imports from Hong Kong, and other leading Asian suppliers, is scarcely borne out by the latest quota utilisation rates issued today by the Hong Kong Department of Trade, Industry and Customs.

BOND DRAWING

INDUSTRIAL DEVELOPMENT BANK OF ISRAEL LTD. 7% Guaranteed Loan 1982

S. G. WARBURG & CO. LTD., announce that Bonds for the amount of US \$1,350,000 have been drawn in the presence of a Notary Public for the sixth redemption instalment due 28th November, 1977.

The numbers of the Bonds so drawn are as follows:-

Table with 10 columns of bond numbers and their corresponding values, ranging from 113 to 14891.

Warning on shipbuilding decline

BRUSSELS, Oct. 27.

EEC shipbuilding is expected to fall to 2.4m. tonnes in 1980 from the present annual level of 4.4m. and the work force could be reduced by the same proportion, the EEC Commission says.

He said the Commission has prepared an action programme for adapting the shipbuilding industry to meet the future.

In particular any expansion of production capacities will be authorised by the Commission only in exceptional circumstances.

They would have to adjust by operating smaller fleets, establishing joint ventures with developing countries, starting joint production ventures and concentrating on specialised vessels where experience counted.

U.S. deal on Algerian gas moves closer

By Stewart Fleming

NEW YORK, Oct. 27.

A UNITED STATES Federal Administrative Law Judge has cleared a \$4.5bn. plan under which El Paso Company will import some 836m. cubic feet of natural gas a day from Algeria.

Polar flight marks PanAm's 50th birthday

By Michael Donno, Aerospace Correspondent

Today, to mark its 50th birthday, Pan American World Airways will make another of its now-famous "flight spectacles", taking a Boeing 747 Special Performance Jet on a record-setting round-the-world flight from San Francisco over the North and South Poles.

Change more than your hat before you go to the U.S.A.

Advertisement for Thomas Cook Travellers Cheques featuring a man in a suit and hat, with text describing the benefits of the cheques.



On 28th November, 1977 there will become due and payable upon each Bond drawn for redemption, the principal amount thereof, together with accrued interest in said date at the office of:-

S. G. WARBURG & CO. LTD., 30, Gresham Street, London, EC2P 2EB.

HOME NEWS

Thistle Field on stream soon

By Ray Oatler, Energy Correspondent

NORTH SEA oil production is about to receive a further boost... Thistle will be the sixth largest producing field in the U.K. sector.

Orders for machine tools highest since 1975

By KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE MACHINE tool industry is climbing steadily out of the recession... Orders for machine tools were worth £244m.

Building society rates may change

By Michael Capell, Building Correspondent

A FORECAST that investment rates might shift to focus between building societies... Mr. Leonard Hyde, general manager of the society...

Materials stockpile urged

By Our Energy Correspondent

THE GOVERNMENT was urged yesterday to use North Sea oil revenue to stockpile raw materials for industry.

Car output higher after setbacks

By TERRY DOOSWORTH, MOTOR INDUSTRY CORRESPONDENT

CAR PRODUCTION in September rose by 15 per cent... The September output of cars was 46,376 units.

Night jet flights face tougher restrictions

By MICHAEL DONNE, AEROSPACE CORRESPONDENT

RESTRICTIONS on the movement of jet aircraft at night from Heathrow and Gatwick airports... The new quotas for night jet movements from November 1 will be tougher than in previous years.

Sterling policy threatening money target, say brokers

By PETER RIDOELL, ECONOMICS CORRESPONDENT

THE Government's policy of month 11 is also pointed out that at the present level... The money supply target is likely to be missed unless interest rates are raised.

IF YOU SMELL GAS-RING US

- If you smell gas, remember the simple safety rules:
* Don't smoke or use naked flames.
* Don't operate electrical switches-on or off.
* Do open doors and windows.
* Then check that you haven't left the gas on and unlit-or that a pilot light has not gone out.

If you suspect a gas leak, turn off the supply at the meter-and report the leak. Do this at once.

We'll come quickly and deal with the problem. And if you smell gas at work or in the street, please report it at once. Don't leave it to someone else.

WE'RE HERE TO HELP YOU-24 HOURS A DAY

Ask at your local gas showroom for our free booklet 'Help Yourself To Gas Safety' which describes the full range of services we provide.

BRITISH GAS

Notice of Redemption

Sumitomo Chemical Company, Limited

6 3/4% Guaranteed Sinking Fund Debentures Due 1979

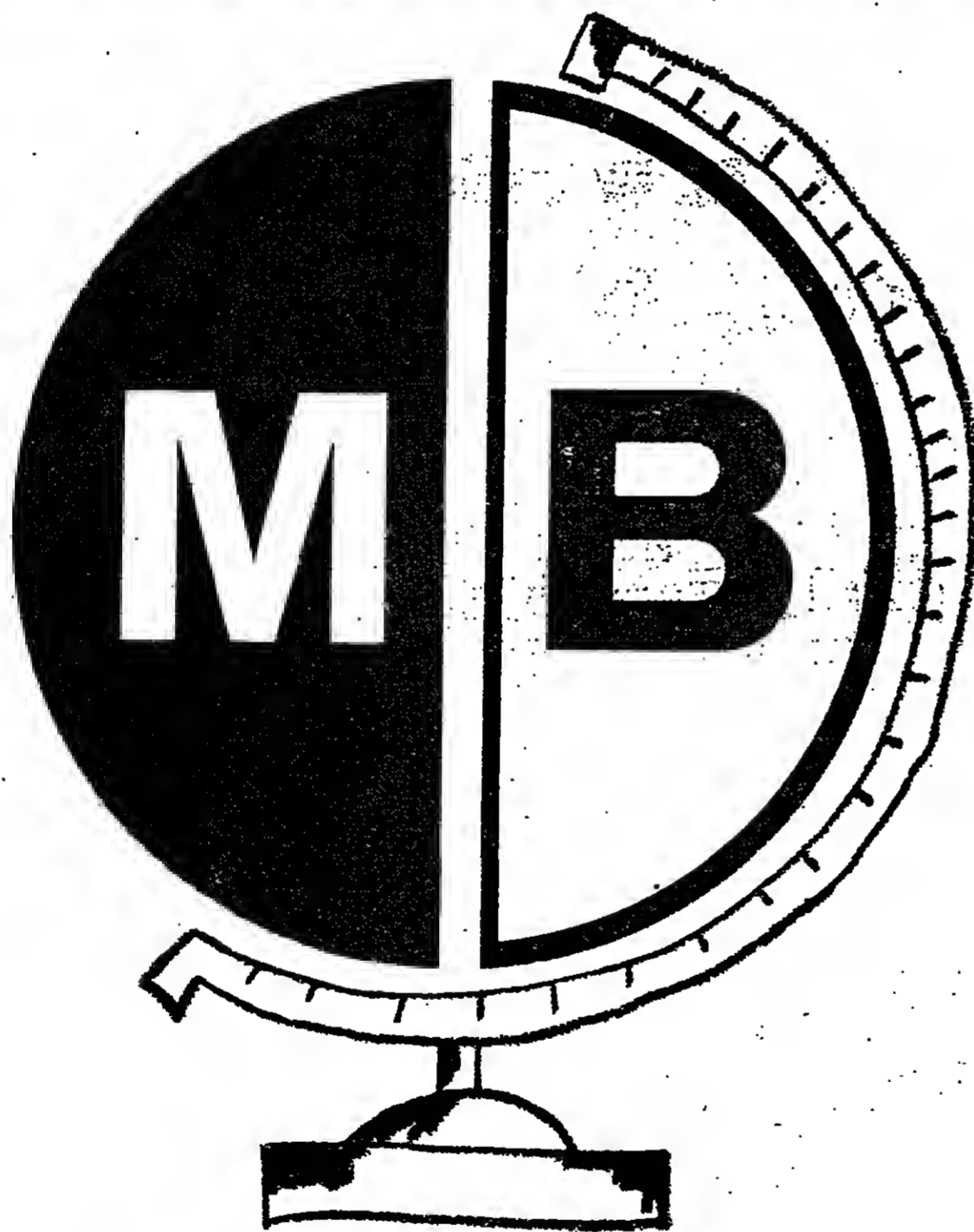
NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of December 1, 1964, under which the above designated Debentures were issued...

Table with columns for Debenture numbers and amounts, listing various coupon debentures.

The Debentures specified above are to be redeemed for the said Sinking Fund at the option of the holder... Coupons due December 1, 1977 should be detached and presented for payment in the usual manner.

SUMITOMO CHEMICAL COMPANY, LIMITED By: CITIBANK, N.A. as Trustee.

October 28, 1977



Thinking internationally: it's Metal Box's business.

Expertise in packaging, food preservation and marketing is in increasing demand all over the world.

So it's not surprising that more than one-third of our £700 million annual turnover arises outside the U.K. We have manufacturing plants throughout the U.K., mainland Europe and in 12 countries in other parts of the world.

We need the markets of the world. They need the skills, experience and products we supply.



Metal Box

A good business to be in

HOME NEWS

هَذَا مِنَ الْأَصْلِ

Municipal chief attacks support grant system

FINANCIAL TIMES REPORTER

MASSIVE LOCAL government investment was needed to stop the decline of Britain's cities... Councillor Smart said that under one method of distribution resources would actually be taken away from areas where they were needed most.

Walker proposes easier inner-city development

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

CERTIFICATES for industrial development should be waived as part of a programme to revive inner-city areas... Mr. Walker said that the question of inner cities, with their concentration of people living on the economic and social margins of society was the most serious social problem confronting the Government.

Share deals used as cover for currency frauds, court told

BY MARGARET REID

THE STOCK EXCHANGE system of put-throughs was used by a City stockbroker as part of a cover-up operation to hide the real nature of a £8.65m. plan to conduct major currency frauds... The prosecution claimed that this system was used by the stockbroker firm of Lewis Altman and Co. to suggest, as a means of facilitating the transfer of large sums abroad.

Water Board savings bring £18m. profit

By Christopher Dunn

THE THAMES WATER Authority made a profit last year of £18m. because of savings in the authority's operations... The Authority, in its third year since reorganisation in 1973, made administrative savings of £5m., cutting financing charges by £2.3m. Provisions for contingencies not required reached £4.5m.

New leisure vehicles

ELECTRACTION, a British electric vehicle design company, is planning to launch two leisure vehicles next year... The vehicles will be made for Electraction by A1 Cars. Mr. Roy Haynes, joint managing director of Electraction, said yesterday that they would be aimed mainly at the U.S. market.

Radio 4 waveband switch may sell many sets

BY ARTHUR SANDLES

THOUSANDS of Radio 4 listeners may have to buy new radio sets if they are to continue to receive their favourite programmes... In a year's time the BBC is to make the major radio frequency changes internationally agreed in negotiations over wavelengths.

Open University

The major changes will be: Radio 1 to 275m, 11088 kHz and 286m, 11053 kHz; Radio 2 goes from long wave to 430m, 1693 kHz and 330m, 1909 kHz on medium wave; Radio 3 goes to the present Radio 1 frequency, 247m, 11215 kHz; Radio 4 goes to two long-wave spots—1500m, 1200 kHz, and 1322m, (227 kHz) in central Scotland.

Deferred tax plan adopted

BY MICHAEL LAFFERTY

CONTROVERSIAL new rules for accounting for deferred tax in company accounts have now been adopted by the Accounting Standards Committee... The new standard, which has still to be approved by the six accounting bodies and which may not be published until the new year, will be effective for accounting periods beginning after July 1978.

New cost yardstick introduced for plant hire concerns

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE CONTRACTORS' Plant Association has launched a new system of cost studies which will enable plant hirers for the first time to have an accurate picture of the real current costs of owning, operating and replacing various types of plant... The introduction of the system takes place against the background of an unprecedented recession in the construction industry.

We're looking for a site for our next store



Sainsbury's are looking for sites for new store development and are anxious to get in touch with anyone who knows of land which could be developed for this purpose.

As an incentive Sainsbury's are prepared to negotiate a contract for the development and construction of stores with anyone who can effect a successful introduction, with the intention of involvement in future developments. The sites they are seeking fall into four categories:

12 acres plus

For SavaCentres - large scale hypermarkets which are jointly operated by Sainsbury's and British Home Stores.

These sites must be within five miles of a town centre in an area of high density population and served by good road communications.

4-6 acres For district shopping centres with parking. Sainsbury's will undertake the whole development and lease shops to other types of retail outlet.

Alternatively sites of around 3 acres will be considered for supermarkets with parking.

Town Centre Sites For development of supermarkets which should have nearby or adjacent parking.

3-4000 sq. ft. units Suitable for the development of freezer centres.

Sainsbury's have the know-how. Do you have the know-how? If so telephone Brenda Hunter on 01-928 3159 or write to Gurth Hoyer Millar, Development Director, at the address below.

Sainsbury's

J Sainsbury Limited, Stamford House, Stamford Street, London SE19LL

LABOUR NEWS

Opposition mounts to Leyland reform plan

BY PAULINE CLARK, LABOUR STAFF

A SUCCESSFUL OUTCOME of the shop-floor ballot at British Leyland...

On the final day for posting ballot papers...

Joint recommendations by both Amalgamated Union of Engineering Workers...

The ballot papers to the Electrical Reform Society...

Energy Dept. blacked out

A RANDOM power cut left the Department of Energy in London in darkness last night...

The blackout followed warnings by the Council of Ministers...

The company has expressed confidence that there remains a strong feeling...

The balloting has taken place at a frantic time...

The inspectors are expected to meet again today...

Doubts cast on new productivity deals

BY CHRISTIAN TYLER, LABOUR EDITOR

SUSPICION that employers are misapplying the productivity exemption...

Mr. James Prior, Shadow Employment Secretary...

The Government has said such deals must be self-financing...

It is probably a mistake to get it (productivity bargaining) tied up with the question of wage increases...

There was no apparent progress at Vauxhall yesterday...

Voting on the company's offer of a 10 per cent. rise with productivity scheme...

A new strategy would almost certainly involve spreading industrial action...

The National Society of Operative Printers, Graphical and Media Personnel...

Mr. Richard Dixon, social affairs director of the CBI...

He said the CBI was in principle, suspicious of productivity deals...

Mr. Prior, during his speech, made the novel suggestion...

That would act as an incentive to secure participative agreements...

Journalists plan to go it alone

BY PAULINE CLARK, LABOUR STAFF

UNION LEADERS for striking journalists in the long-standing closed shop dispute...

The National Union of Journalists made this clear on the eve of talks...

The journalists union said yesterday that whatever the NGA decided...

The dispute started two weeks ago with the appointment of Mr. Keith Sharp...

The National Society of Operative Printers, Graphical and Media Personnel...

But the continuing support of the Government will be kept informed of both TUC's attitudes...

THE SCOTTISH and Welsh TUCs agreed yesterday to form a joint working party...

After talks in Glasgow between senior representatives...

They would be approaching Scottish and Welsh MPs...

the NGA has been the most important to the journalists...

Another closed shop dispute affecting the London Evening News brought an NUJ protest...

The union's attack was aimed at a letter from Mr. Louis Kirby...

The union said there was such frustration at pay and conditions...

Pockets of industrial action were a possibility...

The farmers' side said the claim would cost an extra £400m in labour costs...

Unions to campaign for devolution proposals

BY OUR GLASGOW CORRESPONDENT

THE SCOTTISH and Welsh TUCs agreed yesterday to form a joint working party...

They would be approaching Scottish and Welsh MPs...

Farm union warns of drift from land

By Nick Gamett, Labour Staff

THERE COULD be a rapid drift from the land, seriously threatening production...

Its claim for an increase of more than 50 per cent. in farm workers' 23rd minimum wage...

The union said there was such frustration at pay and conditions...

The union's claim is for a minimum £80 wage...

The farmers' side said the claim would cost an extra £400m in labour costs...

Strike to hit ferry link

SEALINK crossings in the Channel Islands will be stopped by a seamen's strike to-night...

The TUC's agreed that they should defend the need for adequate regional aid...

BUDGET FATIGUE Workload grows in a taxing job

BY DAVID CHURCHILL, LABOUR STAFF

WORKING FOR the Inland Revenue must rank second only to the job of traffic warden...

But when Britain's 64,000 tax officers, members of the Inland Revenue Staff Federation...

In fact there is no question that for the bulk of Britain's 25m. tax payers...

But the effect will, however, lengthen the delays in the more complicated tax changes...

So far this year the Revenue has had to cope with three major changes in income tax...

The list of changes has meant that revenue staff have been told they must work overtime...

The Federation has decided to try to call a halt in the ever-increasing workload...

Mr. Tether said they were at arm's length on which a reasonable editor could have come to the same conclusion...



50 Years of Experience. 1927-1977. First scheduled flight 28th October 1927.

It's the best eating place for a thousand miles.

You're going to enjoy this. What she'll do is, she'll bring the roast beef - pardon me, le contre-filet de boeuf rôti - she'll bring it right up here to our table...

Pan Am's People. World's most experienced.

NEWSPAPER'S COUNSEL LODGES PROTEST Tribunal urged to control Tether dismissal hearing

MR. THOMAS MORISON counsel for the Financial Times made a strong protest to a London industrial tribunal yesterday over the way it was conducting its hearing of an unfair dismissal claim by Mr. C. Gordon Tether...

It was the tenth day of the hearing; a further six consecutive days have been allocated...

Mr. Tether, 63, who wrote the Lombard column in the Financial Times for 21 years...

Mr. Morison alleged that the tribunal lacked control over the way Mr. Tether was pursuing his case...

He said it was grave injustice to the Financial Times that it should be forced to take part in the lengthy proceedings...

He said: "I insist, with great respect, that this tribunal take full control over these proceedings so that our witnesses are not subject to repetitious questioning."

He wanted it recorded that he had made a respectful but not inappropriate protest about the way the case had been allowed to run on.

The chairman, Mr. W. T. Wells, QC, said that the functions of a tribunal and its duties in relation to a witness who was uncooperative were notoriously complex.

It was very important that the tribunal give the appearance of impartiality and that the proceedings be conducted in a manner which was not unduly harsh.

He added: "The reason why we are here is because I was unable ever to discuss anything with Mr. Tether. I was driven to the position where I had to make judgments without the help of discussion with the author."

Mr. Tether asked: "Do you think it is right for an editor to change the writing of a columnist who is known to be independent - to make him say things he has not said and would not say?"

Mr. Fisher replied that it was not right. But, given the fact that he had no means of consultation with Mr. Tether, he had the choice of either running the piece as it stood, even though it might damage the reputation of the Financial Times, or waiving it in a manner he hoped would be acceptable to Mr. Tether and the Financial Times.

He took what he believed to be a reasonable judgment and followed what he knew to be the practice of his predecessor. The hearing continues to-day.

In general, it must be for the respondent to ask the tribunal to take any particular steps at any particular time...

Mr. Morison replied that the case was in danger of getting out of control, even having regard to the issues involved...

Mr. Tether said that he did not accept this. Many issues had been brought into the case by the Financial Times and a large number of "charges" had been made against him.

Mr. Tether, of Hill Road, Worpleston, Surrey, has rejected the newspaper's compensation offer of full pay until normal retirement age and an unaffected pension. He seeks reinstatement.

Earlier, in a statement on the status of an independent columnist, Mr. Tether said that he had responsibility, in fact and in law, for what appeared under his name.

That did not mean that he should not listen to advice or refuse consultation. Nor should he refuse to correct factual errors or material that is libellous, since the editor shared his responsibility in law.

His evidence would be that it was quite untrue that this process of reasonable consultation was ever denied the editor of the Financial Times.

Independence meant that a columnist had freedom to express his own views in his own style, and that the editor did not have an absolute right to make changes that altered those views or style without the columnist's consent or put him under pressure that he should make such changes himself against his better judgment.

Mr. Tether said the editor could only exercise his editorial right in relation to an independent columnist where that columnist had been exercising his right to write unreasonably or irresponsibly.

Mr. Tether said they were at arm's length on which a reasonable editor could have come to the same conclusion that he was exercising his right in writing unreasonably, irresponsibly, or incompletely.

His case would be that his "custom and practice" contract evoked under former editor, Sir Gordon Newton, provided for independence within this definition.

Mr. Tether said that he acted at all times in good faith in his editorial treatment of Mr. Tether's column.

Mr. Fisher said he had never written to listen to what any editor when cross-examined by Mr. Tether, said that he acted at all times in good faith in his editorial treatment of Mr. Tether's column.

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NOTICE OF REDEMPTION FORD INTERNATIONAL CAPITAL CORPORATION 8% Guaranteed Debentures due 1981. NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of December 1, 1969...

Handwritten signature or mark in Arabic script.

One doesn't have to be successful to have style.



But it helps.

The world of fine luxury cars has produced many brilliant examples. At BMW we felt it would be unnecessary and prohibitively expensive to create a car with even more luxury than the best available at the moment.

The concept design basis of the BMW 7 Series was not, therefore, to produce simply another exceptionally comfortable car, but one with a dynamic and refined performance.

Luxury
The first impression one has when looking at one of the 7 Series is a car of exceptional yet quiet beauty, of disciplined power and of engineering and coachwork of the very highest quality.

Sit in the car and one immediately has the feeling of absolute comfort and excessive spaciousness especially in the back. The seats are anatomically designed for both comfort and support. The driver's adjusts for reach, angle and height.

Heating and ventilation is very sophisticated and can be finely set. Pneumatically controlled, warm and cold air are pre-mixed and delivered in three controllable zones—face, body and feet. Air directed at the face is about 8% cooler than air to the feet, so the ideal of 'cool head warm feet' is achieved. In the 730 and 733i the rear passengers have their own independent heating and ventilation which they control themselves. Ventilation is also channelled into the front side windows for immediate demisting.

Quietness is now quite outstanding. Wind noise has been drastically cut by aerodynamic design and closer bodywork 'fit', and engine noise is even lower due to new sound damping.

In the areas where luxury cars excel—design, quality, comfort and quietness—the 7 Series has found new and better technological answers.

Performance

Most luxury cars are heavy and, whilst being fairly fast in a straight line, have neither good handling nor 'agility'. They are passive rather than dynamic cars. This is not the case with the 7 Series.

The chassis combines two apparently contradictory extremes—luxurious ride with exceptional handling. The new front suspension allows softer ride whilst giving better stability with less 'dive' and 'roll'. At the rear the race proven semi-trailing arm is used. All wheels independently and correctly align themselves for the best possible ride and hold on the road regardless of the surface or camber.

Once in the car one realises that the cockpit is totally driver orientated. Seat and steering can be adjusted to any driver for maximum comfort and ease of control. Considerable research has gone into the layout and has resulted in a 'wrap around' console. All dials are equi-distant from the driver's eye, all controls come immediately to hand.

As soon as one drives the car one understands the advantages of the BMW philosophy of making the driver the essential element of car design. Stress and difficult situations are reduced and the pleasure of being able to drive both courteously and as one pleases is very rewarding.

Safety

The core of the 7 Series 'passive safety' is the passenger compartment. This rigid cell with its integrated roll over bar, longitudinal and vertical supports remain intact on impact when the front or rear safety zones absorb energy. Inside the car, padded upholstery has been developed into a complete protective system. It operates at three different levels—face, shoulder and below window level with different forms of padding to give maximum protection.

In 'active safety' terms the driver is the essential element. So everything is designed, researched and developed to make his task simpler and more efficient.

The 7 Series incorporates many highly advanced, technological improvements to help prevent the worst happening. The most important being the new 'double pivot' front suspension. This gives exceptional directional stability—should one wheel hit slush, or a tyre burst, the car will remain on line.

This stability allows a new dual braking system—if there is a failure the car brakes on one front wheel and the opposite rear wheel which, with the new front suspension, eliminates slewing.

Driving Pleasure

The 7 Series combines performance and comfort in a way that no other cars have done before. A passenger has all the luxury, the smoothness of ride and the quietness to make any journey a pleasure. The driver has the effortless power and performance which encourages a new spirit of driving.

This, then, is the new BMW 7 Series range. Cars in the very highest luxury class with sophisticated, refined and powerful performance. A unique and exceptional choice amongst the world's greatest cars.

Performance glossary (Manual figures only. Source BMW)

- 728: 2.8 litres, 170 bhp, 0-60 in 10 secs, max 120 mph
- 730: 5.0 litres, 184 bhp, 0-60 in 9.4 secs, max 125 mph
- 733i: 3.3 litres, 197 bhp, 0-60 in 8.9 secs, max 128 mph

Prices: 728: £8,950. 730: £10,540. 733i: £11,550.

All prices correct at time of going to press. Leasing: In today's financial conditions, leasing a BMW can create substantial advantages. Your BMW dealer will be happy to put you in touch with expert advisors on leasing who can describe the schemes in detail.



The new BMW 7 Series. For the joy of motoring.

BMW Concessionaires GB Ltd, 991 Great West Road, Brentford, Middlesex. 01-568 9155. Export, NATO & Diplomatic: 56 Park Lane, London W1 01-629 9277.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

SAFETY

Softens the blow

ENERGY absorbing hydraulic bumper beams for attaching to the rear of lorries to prevent cars and other vehicles under-running the platform, and for car front bumpers are being introduced by Quinten Hazell Automotive, the component supplier.

The bumper was initially developed under contract with the Transport and Road Research Laboratory. In tests at the Motor Industry Research Association's proving ground cars were crashed into the rear of a stationary trailer with the new under-rider at speeds of 17, 30 and 35 mph.

The under-rider and the trailer were undamaged, and from data from the fully instrumented dummy passengers, there was every indication that fatalities could be avoided and serious injury reduced.

Successful development of the hydraulic units owes much to Castrol, another subsidiary of Burmah Oil, which developed a water-based hydraulic fluid with a stable viscosity over a wide temperature range. In an accident, pressures of 20,000 psi can be generated and conventional mineral oils tend to ignite at extreme pressures.

The under-rider arms are hinged to the chassis, and light coil springs return the bumper beam to its normal position after impact.

The car bumper, which is 261mm (10.277 in.) long acts on the same principle and has been shown to offer complete protection to the vehicle structure on impact with rigid objects up to 5 mph and a valuable degree of energy absorption at 20 mph and above.

More from Quinten Hazell Automotive, Hazell Way, Bermuda Road, Nuneston, Warks. CV10 7QQ (0682 226220). PETER CARTWRIGHT



QUALITY CONTROL

Fast test for bolts

DEVELOPED by Dartec of Stourbridge is a machine able to tensile test bolts at the rate of 2,000 in a 40-hour week. The company claims that nearly 11 hours can be saved over the week in comparison with other testing methods.

The machine has an automatic re-set action to save time. The operator simply places the bolt in the machine, revolves the safety shields into position to

protect against fragmented metal, and pushes the start button. Testing then takes place in accordance with BS 3692 and BS 1788; the machine can take bolts up to M-30/11 in diameter.

The equipment is able to carry out tensile tests of full size bolts and screws and prepared test pieces, and also the proof loading of bolts and screws, wedge loading tests and proof tests on nuts. More from Mill Race Lane, Stourbridge, West Midlands (Stourbridge 77433).

PACKAGING

Speeds the whisky exports

A FULLY automatic packing line with a rated output of 150 bottles/minute has been installed at Strathleven Bonded Warehouses, Dumbarton.

The line is being used to pack bottles of J and B Rare Whisky straight from the filling line into individual gift wrapped cartons which are then automatically collated into dozens in corrugated export cases for shipment to the U.S.

Designed and installed by DRG Lairds Packaging, part of the Dickinson Robinson Group, the installation consists of a special Kilkirk Captain cartoning machine with Helix labellers and a Vickers Pyramid wrap-around case packer, together with all ancillary equipment and conveyors.

The line has been assembled specifically to pack gift cartons for the U.S. It currently handles the U.S. 4/5 quart bottle and can also be adjusted to take the U.S. quart and the new metric sizes.

COMPUTERS

Digital's new flagship

DESCRIBED by the company's president Ken Olsen as "a milestone equal to the original PDP-11, Digital Equipment Company's new 32 bit machine, christened VAX-11/780 was unveiled in Boston, Mass., earlier this week.

The machine is an upward extension of the present PDP-11 systems and rounds out DEC's range following the introduction of the LSI 11 micro.

VAX-11/780 is clearly intended by the company to be most things to most men, being described as a general purpose machine which can handle a wide variety of applications in science, industry, education and in the commercial world.

But it is also intended to appeal to original equipment makers and, last but not least to the 50,000 PDP-11 users throughout the world. Emphasis is placed on the promise that resources built up by PDP-11 users in the form of trained personnel, peripheral devices and

data bases will be compatible with the new VAX systems, prices of which start at a little under £100,000.

The minimum system configuration consists of central processing unit with 128,000 bytes of MOS memory, an LRS DECwriter II console terminal, a service for

pair of RK05 14 megabyte disc drives, a multiplexer that provides eight EIA terminal connections, and a new virtual memory operating system VAX/VMS. The latter is really main-frame software technique which allows programs much larger than the physical memory to be run in a way that is transparent to the programmer. The basic 128K main physical memory is however expandable up to two megabytes.

Overall claim by the company is that the new machine combines the full power and performance of conventional large mainframes with the interactive strength, flexibility and relatively low cost of a mini-computer.

INSTRUMENTS

Photocell meters fuel

AN UNUSUAL design of instrument which meters out pre-selected fuel volumes photo-electrically to determine the fuel consumption of diesel and petrol engines is now being marketed in the U.K. by EGB Tool and Equipment Company.

Main application will be in research, production and quality control in the engine industry and in work connected with fuel injection systems. Different models of the device can dispense one, two or three chosen volumes between 25 and 10,000 ml.

Initial and final fuel levels are detected by reflecting light beams at 45 degrees from the fuel surface into photocells giving volume accuracies repeatable to 0.2 per cent. The signals start and stop a digital timer and revolution counter on a separate electronic control and display unit, which can be computer linked if necessary.

An advantage is that since there are no moving parts, recalibration is needed. Further more, the unit can be wall mounted and fitted directly into the fuel feed pipe of the engine under test so that no fumes can escape. More from 243, Horn Lane, London W3 9ED (01-993 5344).

Information unit ready next year

FORMED last year (with backing from the Institution of Electrical Engineers, The Chemical Society and Derwent Publications) to provide a terminal-based dial-up service for

abstracts, Info-Line has chosen CRC Information Systems for the provision of the necessary computing facilities.

As a result, Info-Line expects to announce the introduction of operational services during the latter half of next year; they will be available in both the U.K. and Europe.

The contract will involve the setting up of the Info-Line databases on CRC's own hardware



and providing a remote on-line access facility to users. The information will be resident on CRC's Univac 1100 using 300 megabyte disk. Info-Line is planned to make 6000 MB of data accessible through the computing company's network which provides local dial-up facilities in 15 U.K. multi-branch centres as well as several main centres in Europe. Info-Line is on 01-993 1876 and CRC on 01-993 0767.

HAND TOOLS

Cable end stripper

A USEFUL aid to the technician involved with signal frequency equipment who has to prepare coaxial cables for plug fitting and other purposes, the COAX-1 stripper can deal with cables up to 7.5 mm diameter.

The tool has four apertures and a common cutting blade. Aperture one strips the outer insulation, the second cuts through the screen and strips the insulation leaving 7 mm or 12 mm of length, the third strips away the dielectric and the fourth cuts through the cable.

In use the spring loaded cutting blade is opened by pressure on the handle and the cable inserted. The tool is then spun round and the blade pressure is sufficient to complete the cutting and stripping operations.

Each blade is guaranteed for a minimum of 150 operations and can be adjusted when it becomes blunt. Spare blades are available in packs of 10. More from AB Engineering Company, The St Albans Road, Watford WD2 4AN (Watford 20636).

OFFICE EQUIPMENT

Will read and print

CONSIDERED to be of particular interest to engineers and architects because of its A3 screen and printout (18 x 24 inches) is the Orion microfilm reader/printer from Ceps Microfilm, 7 Westmoreland Road, London NW9 9RG (01-204 4111). Pilkington Group company.

It is claimed to be unique in that it will accept either positive or negative microfilm on either fiche, aperture cards, 16 or 35mm roll film.

Hoppers with a 200 sheet capacity feed the electrostatic 35 x 318 x 45 inches

printer with three paper sizes: A2, A3 and A4. Prints are produced at a rate of 30-35 per minute. The unit has a number of modifications required for set and matched to the user size, (climinating, spacing and adjustment). Exposure control is also pre-set but there is a manual override to assist with difficult film.

Paper is loaded into bins which are delivered from the front of the machine; which has a light-top or tray loading. It weighs 375 lb and requires a capacity feed the electrostatic 35 x 318 x 45 inches

CONFERENCES

Speak up or forever

ALL those in British industry whose business involves them in sending digital data from one place to another would do well to note that three official seminars are taking place soon at which they will be able to make their views known about data transmission and what should become of it in the future.

The exercises is being organised by the National Committee on Computer Networks, set up by the Department of Industry to advise the Secretary of State on the needs for public computer work facilities in the U.K. and the ways of satisfying those needs. In a recent statement the NCCN makes it clear that the Government is anxious to ensure that whatever advice is given should reflect "the real views and requirements of both existing and potential data communication users".

The NCCN believes that even those organisations and individuals who at the moment do not use computers will soon find their working environment profoundly affected by the changes in data communications methods likely to take place in the next decade or two.

Soft-pedalling the position to some extent, the NCCN statement says that both Government and Post Office policy "will have a fundamental effect on these developments". In fact, because of the P.O. transmission monopoly, it will decide them, so that if users wish to ensure that planned facilities truly match their requirements they had better speak now or forever hold their peace.

The first two seminars will be held in central London on Wednesday November 30 and Thursday December 1; the third will be at the National Computing Centre, Oxford Road, Manchester on Monday December 5. Proceedings in all cases start at 10.30 a.m. and close at 4.30 p.m. Eminent speakers in the field are expected to describe possible future developments and explore possible costs and the Post Office will also be outlining its plans as they stand at the moment. An interesting point is that all the participants will be asked to fill up a questionnaire, so that their views will be recorded in writing.

However, there will be only 2,000 places altogether, and reservations will be accepted on a strict pre-payment basis (£5.00). Only one delegate can be accepted from each organisation.

These three seminars are clearly of the utmost importance since decisions taken now will affect the shape and nature of the computer networks of the future. One almost certain item on the agenda, scheduled for otherwise, will be a debate between the proponents of circuit and packet switching.

Reservations to NCCN Seminar Bookings, The National Computing Centre, Oxford Road, Manchester M1 7ED (061 228 6333).

Corrosion easily seen

ORIGINALLY developed for checking the corrosion in chemical reactor pipework, a wall thickness gauge from MatEval NDT Company should be of interest throughout the chemical, petro-chemical and engineering industries.

Main purpose is for checking pipes during maintenance shut-down periods, establishing corrosion thickness so that pipes may be replaced at the optimum time.

The measuring head consists of 15 ultrasonic probes which have been designed to deal with uneven wall conditions, each is mounted on a spring-loaded leg and is preceded by alignment aid. The pipe is filled with water for the test to provide the coupling medium and the array is drawn through the pipe by a stepping motor connected by pulley and chain.

Control is by microcomputer so that a range of data can be requested which is then printed out on the completion of each test. Successive tests yield the corrosion rate. Also, at the end of each test the operator can see the position of the deepest pit and the location of the worst annular thickness. More on Newton-le-Willows 23006.

Alarm by comparison

A DIGITAL comparator put on the market by Exel Electronics accepts a signal in digital form, compares it with a value set into the instrument by means of front panel thumbwheels and switches and then close a relay according to whether the input is less than, equal to or greater than the reference.

Known as the XLC6, the unit can be used in multiple form to provide any number of limits, or for "window" comparison, when the relay will operate if the input falls between two pre-determined values.

The input is for multiplexed BCD and is loaded into the comparator using CMOS circuits. Reaction time is four milliseconds.

Applications will occur wherever alarm facilities are needed in digital monitoring situations where the data is arising from digitised quantities such as flow, volume, capacity, time or count. XLC6 is housed in a box requiring a standard DIN 92 x 44 mm cut-out and more details can be obtained from Wolterton Road, Bournemouth, Dorset BH12 1LR (0202 767373).

Makes quick check on monoxide

A POCKET-SIZED dosimeter to measure time weighted averages of personal exposure to carbon monoxide has been developed by H.D.A. Scientific (UK) of Ferndown, Dorset, (0202 372106).

Designed for easy use by personnel working in industrial atmospheres, it provides a visual and audible alarm if pre-set ceiling levels of the gas are exceeded.

Power is supplied by rechargeable batteries and the meter will run for a minimum of eight hours between charges.

Operation is based on an electrolytic solid polymer electrolyte cell which provides an accurate stable signal proportional to the monoxide concentration.

The dosimeter may be used in conjunction with a support console which displays the total cumulative monoxide dosage in ppm-hours during the operating period.

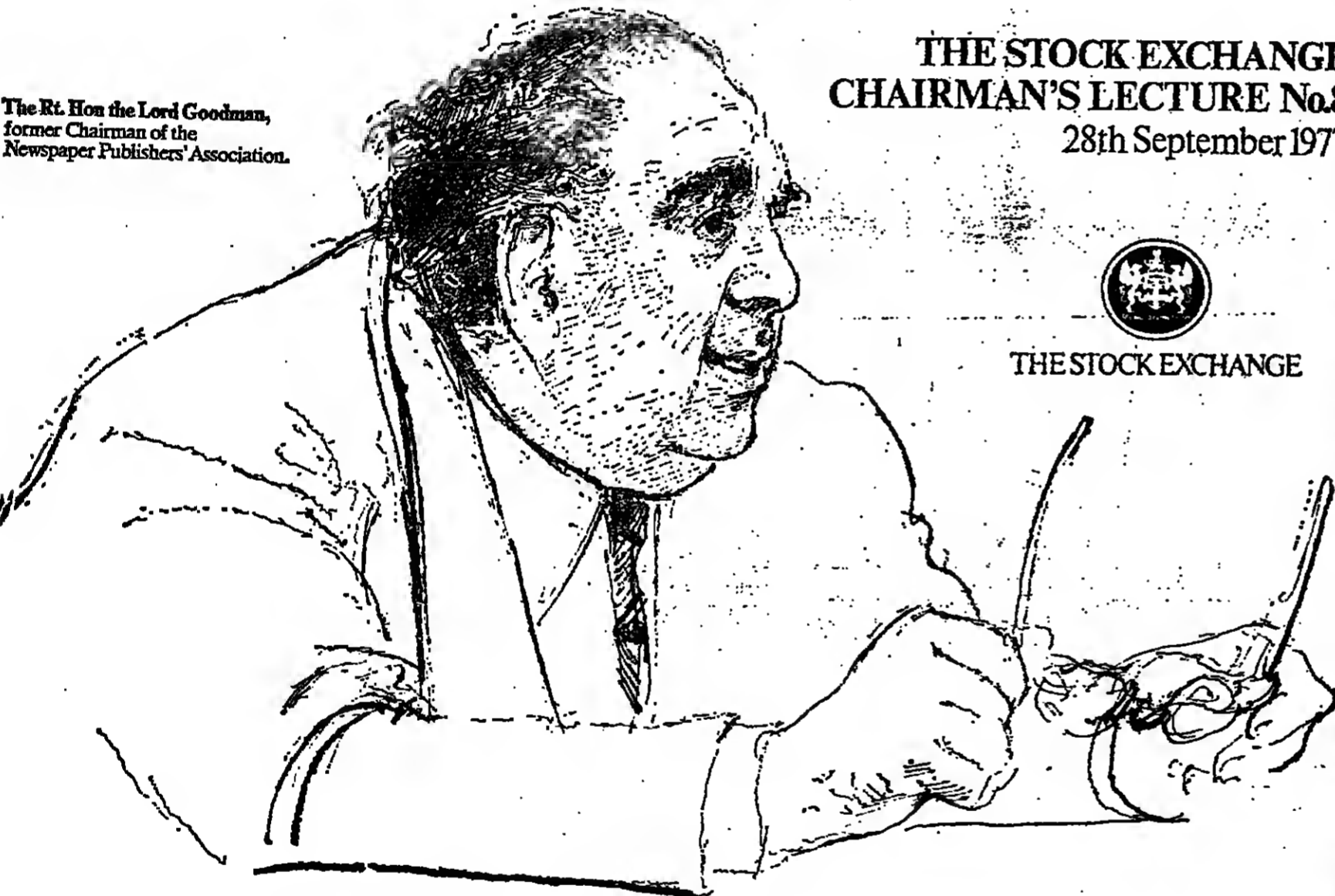
Rising cost of water

MEANS of countering rises in the cost of water and its treatment are to be discussed at a one-day conference to be held at the Carlton Tower Hotel, London, on December 7.

Pollution prevention, efficient methods of waste water disposal will also be the subject of papers presented by specialists from the Severn Trent Water Authority, Anglian Water Authority, National Research Development Corporation, and the M.S. Atkins Group.

Details of this event may be obtained from European Study Conferences, Kirby House 31, High Street East, Uppingham, Rutland, Leics LE16 9PT (057 282 2711).

The Rt. Hon the Lord Goodman, former Chairman of the Newspaper Publishers' Association.



THE STOCK EXCHANGE
CHAIRMAN'S LECTURE No.8
28th September 1977

THE STOCK EXCHANGE

'A newspaper's version of truth is a question of what the editor thinks is true.'

"First and foremost, one has to recognise what is the motivation of a newspaper, or a television company, or a radio company, in seeking information. It is not to advance the interests of the human race.

"You do not by publishing fifty books have five times as much wisdom and guidance and skill and knowledge as if you publish ten books, and you do not, by having four channels, have four times as much entertainment and joy and gaiety as if you had one channel.

"I think one of the things we have to think about in relation particularly to television is how we make sure our standards do not alter."

The Chairman's Lectures are by now a well regarded platform for world figures to discourse on matters of current or long-term importance. On 28th September, Lord Goodman set out his views on "The Media and Business".

If you would like a free copy of the full text of Lord Goodman's lecture, please fill in the coupon and send it to:

The Chairman's Lecture No. 8, The Public Relations Office, The Stock Exchange, London, EC2N 1HP. Please send me a copy of Lord Goodman's Lecture on 'The Media and Business'.

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Address _____

FT/28/10

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Cwmbran Development Corporation built more than two year programmes and let them all within a year! Already more than 170 industrial units have been built on their industrial estates. We know the problems of relocation and have solved them. Trains and only a little over an hour by road. 50 mins. from Birmingham by M5/M50. We have 4000 people, excellent housing, schools and shops, and a facility for work and leisure. Modern factories and leasehold sites are still available, and the Corporation welcomes enquiries from industrialists in the U.K. or overseas who wish to expand in a beautiful area with the aid of Government grants. Substantial rent concessions may apply. The key men who come with new industry can be housed immediately.

Get the facts. Please use the coupon or write or telephone today.

To: R. P. Menden, M.B.E., M.C., General Manager, Cwmbran Development Corporation, General House, 27, Cwmbran, Gwent NP23 3JZ, Wales. Telephone Cwmbran 6777.

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Position _____

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FT/28/10

ADVERTISER'S ANNOUNCEMENT

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British airways ANNOUNCE

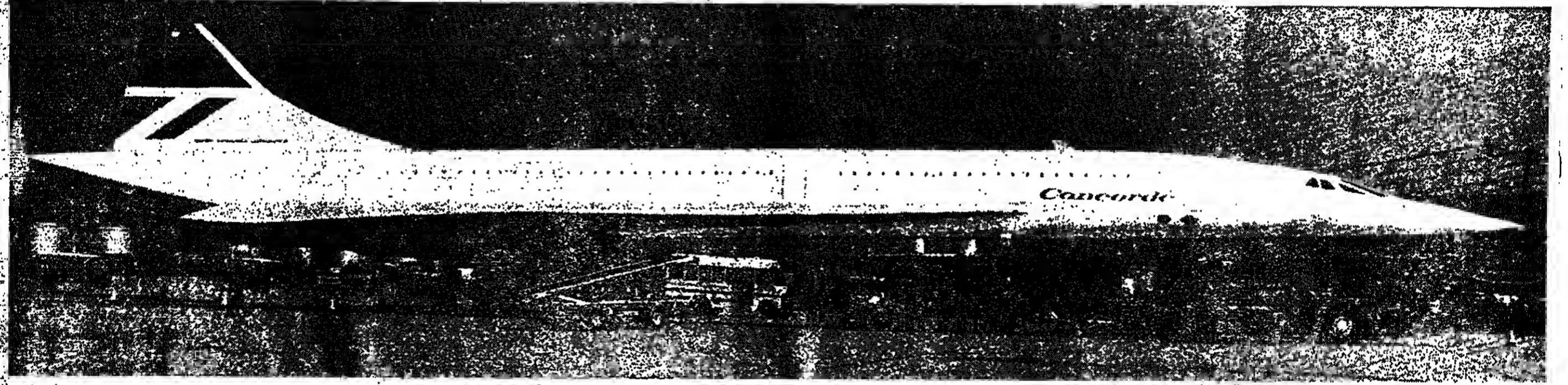


No 24

Friday, October 28, 1977

WEST to New York in 3½ hours... EAST to Singapore in 9½ hours

IT'S CONCORDE'S NEW WORLD!



Concorde on the ground at Kennedy Airport after its first flight to New York.

The Houston connection is fastest

DIRECT services are operated by British Airways to seven cities in the United States apart from New York and Washington... and there are also special connections available with US domestic airlines to speed passengers to other centres.

The seven cities are Anchorage, Boston, Chicago, Detroit, Los Angeles, Miami and Philadelphia. In addition, the airline has services to New York from Manchester and Glasgow.

Houston is one of the important airline points to which British Airways can speed business travellers, through their arrangements with US airlines. By flying on the supersonic Concorde to Washington and then linking up with an Eastern Airlines service, passengers can be in the Texas oil capital two-and-a-half hours faster than on a direct subsonic flight.

Other Link-Ups offer quick services from London to Houston via Miami, using Continental; to New Orleans via Washington, using Eastern; to Tampa via Miami, using Eastern; to Dallas-Fort Worth via Chicago, using Braniff; to San Francisco via Chicago, using United; and to Atlanta via Boston, using Delta.

Quick

Among the advantages of using the British Airways Link-Up services into the United States are:

Speedy connection times, baggage checked through to your destination, accelerated Customs clearance, and British Airways' staff on hand to assist with the transfer from one aircraft to another.

Coming east, the American airlines are able to allocate passengers specific seats on the British Airways' jets which they are to join. By using the British Airways service to Chicago, passengers can obtain quick onward connections to such points as Denver, Kansas City, Minneapolis/St Paul, Portland, Salt Lake City, San Diego, Seattle and Tulsa.



Twelve ways to Araby

TWELVE POINTS in the Arab world are now served by British Airways, and this gives business travellers a better spread of services out of Britain than any other airline.

Highlights of British Airways' extensive services to the Middle East include: ● TriStars to seven points in the Gulf. ● A daily TriStar at 0905 to Abu Dhabi and Doha. ● An increase of services to Beirut this winter to three each week. ● A daily non-stop VC10 service to Jeddah. IRAN: There are also twice-daily VC10 services to Tehran.

CONCORDE is continuing to change the world of air travel.

Now British Airways is launching new supersonic services to New York and Singapore to join those already operating to Washington and Bahrain.

Concorde will start flying to New York on November 22. The supersonic airliner, which flies at speeds of up to 1,350 miles an hour, will take only three and a half hours from take-off to landing to cross the Atlantic. This is about half the time taken by subsonic jets.

Return flights from New York on Wednesdays and Mondays will leave at 1215, arriving at Heathrow at 2100.

By December, the New York service will have been stepped up with departures on Tuesdays, Wednesdays, Fridays and Sundays, returning from New York on Wed-

Announce Reporter

between London and New York, but frequency will be increased to four a week in December and six a week in February. In local timings, Concorde will arrive in New York earlier than it leaves London. The aircraft will leave on Tuesdays and Sundays at 1115 and arrive at Kennedy Airport at 1000.

They return on Sundays, Tuesdays, Thursdays, Fridays and Saturdays, leaving Washington at 1230 and arriving at Heathrow at 2140.

These Concorde journeys will be completed in nine

hours, 15 minutes, slicing six hours and 10 minutes off the fastest subsonic time of 15 hours and 25 minutes.

Arrival times of the Concorde flights will make it easier for business travellers to obtain same-day connections to many other destinations in the Far East.

By using Concorde, there could be a saving of seven hours 45 minutes to Jakarta, six hours 15 minutes to Manila and five hours 20 minutes to Kuala Lumpur.

Passengers will gain all the other advantages of travelling Concorde - including special check-in and lounge facilities at Heathrow, and a more comfortable flight, due to the almost complete lack of turbulence at 60,000 feet, Concorde's normal cruising height.

On Tuesdays and Saturdays, faster 707 aircraft leave Heathrow for Japan at 1035. After calling at Moscow, they arrive at Tokyo at 0955.

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lines as an extension of the Bahrain service which was started in January last year.

It will reduce the time between London and Singapore by five hours and 20 minutes. With only one stop at Bahrain, Concorde is scheduled to fly between the two cities in nine hours and 30 minutes.

To Singapore, the joint British Airways/Singapore Airlines services will leave London three times each week, on Sundays, Wednesdays and Fridays at 1300, arriving at Singapore at 0600 the next day.

The return flights from Singapore will be on Mondays, Thursdays and Saturdays, leaving at 1130 and arriving in London at 1315.

These Concorde journeys will be completed in nine

hours, 15 minutes, slicing six hours and 10 minutes off the fastest subsonic time of 15 hours and 25 minutes.

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Japan over the Pole

WIDE-BODIED British Airways Boeing 747 jumbo jets will fly over the North Pole to Japan from London three times each week this winter.

The services leave London airport at 1255 on Mondays, Wednesdays and Fridays and, after only one stop at Anchorage, Alaska, touch down at Tokyo at 1500 the following afternoon local time.

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Fly to the beauty of Kilimanjaro

THE first flights from Europe into Kilimanjaro are to be inaugurated by British Airways from November 5.

At the same time, the airline will step up its existing services to other East African destinations.

The Kilimanjaro service will be operated once each week by a VC10 airliner. The airport, in the north east of Tanzania, serves an area famous for its wealth of

wildlife and scenery and will make an excellent jumping-off place for unusual holidays.

In the area are the Serengeti, the Lake Manyara and the Tarangire national parks and the Ngorongoro Crater.

Connecting services are operated from Kilimanjaro by Air Tanzania to Mwanza, on the shores of Lake Victoria, and to Ganga, on the

Indian Ocean coast. British Airways' services from London to Dar es Salaam are being increased from two to three each week and to Khartoum from four to five each week.

One of the Khartoum services - on Saturday - continues on to Addis Ababa. VC10s and Boeing 707s are used on these routes.

There is also a daily 747 service to Nairobi.

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*You can call these numbers any time - day or night. If you wish to write, send your letters to British Airways, West London Terminal, Cromwell Road, London SW7 4ED.



WHY NOT CUT THIS OUT AND KEEP IT?

The Property Market

BY JOHN BRENNAN

British Land sells in Dublin

British Land confirms that it is discussing the sale of its 240,000 square feet Setanta Centre in Dublin. But Irish market sources strongly suggest that the office building has already been sold in principle to the British Coal Board's pension fund for just under £15m.

The building is jointly-owned by British Land and the Irish development group Hardwick. But it is entirely financed by the British group and a sale would clear around £10m. of its £160m. borrowings.

Setanta Centre is one of the Irish capital's finest office developments, and around 70 per cent. of the building has been occupied close to asking rents of £4 a square foot.

The Setanta sale would mean that British Land had refunded another £2.8m. of debt since its major refinancing package last month.

The recent sale of its shareholding in Bridgewater Estates netted £1.1m. cash, and in addition Mr. John Ritblat, British Land's chairman, reports £4m. of property sales in this country since the refinancing.

At the group's annual meeting in September Mr. Ritblat had said that it was planned to

hold this £7.5m. of stock within a British Land subsidiary.

£16.5m. for Town & City

A veil of silence has been drawn over negotiations for the £37.5m. sale of Berkeley Square House. But stockbrokers Schaverien provide an insight into the deal in their October Property review, published this week.

Town and City Properties and the Prudential have never publicly revealed details of the division of ownership of the 300,000 square feet office complex. But the brokers' records show that the Prudential, as freeholder, received £300,000 of the building's current £1.7m. rental roll. In 1981 the arrangement changes to give Prudential 82½ per cent. of the income. And in that year rent reviews fall due on 200,000 square feet of the offices, currently let on an average rent of just under £5.70 a square foot.

A little back of a calculator speculation leads Schaverien to the conclusion that the Prudential will take around £21m. of the sale proceeds leaving T and C with a very welcome £16.5m. cash. That would give T and C an exit yield of 7.3 per cent. of its current rental income.

Penmon Fund. On the basis of a projected discounted rental of £1.64m. in 1981, the purchase yield drops to 4.9 per cent.

It will be several months before purchasing negotiations are complete. And in the mean time neither T and C nor Prudential will be drawn on the details of the sale. But if the broker's yields stand up they underline the exceptional institutional demand for quality properties.

An equated yield of under 7 per cent. for the joint purchase of a multi-tenanted building of this size would not have been out of place in the boom days of the early 1970s. And recent whispers of Central London office—and even ground rent—sales of many over £10m. on yields of under 5 per cent. support that new boom feeling.

In its general review of the sector Schaverien sees the physical market underpinned by the weight of institutional investment funds into the 1980's. Looking at property shares they recommend sales of English Property Corporation and Law Land. But they favour British Land's 12 per cent. convertible loan stock, Bradford Properties, MEPC, Evans of Leeds and Centrovincial.

In Brief

● Barclays Bank was unwilling to give the sale price of its Tour Astro scheme in Brussels on Tuesday. But the bank's comment about a price that was "better than we might have hoped" after February's £18m. valuation, turns out to be a minor understatement. Société Nationale de Crédit à l'Industrie

paid more than £20m. for the 30-storey office tower. Not much more, but enough to cut the bank's gross loss to around £15m. Property and assets worth £8m. taken earlier this year by Barclays from the Grasshopper Property Unit Trust as part of the deal to take-over the liability of the Tour Astro, help to offset the loss.

News of the largest office sale in Brussels will soon be complemented by details of the largest industrial property sale in the city for many years. King and Company have just sold the 9,700 square metres first phase of the Deacon Group's airport trading estate at Diegem. Dutch pension fund. The fund has also contracted to buy the 5,350 square metres second phase of the scheme, all of which has been pre-let on an effective yield of under 8½ per cent.

● J. Sainsbury is planning its most ambitious expansion programme to date with a search for supermarket sites in 16 northern towns. The group's 183 existing stores are concentrated in the south and Midlands, and the drive north will give it coverage in the area up to Lancaster and York.

Sainsbury has no firm views on whether to develop sites or buy completed units. But it is looking for space to accommodate 12,000-15,000 square foot stores with adequate car parking and for a few larger areas to take Saver Centres, the hypermarkets operated by Sainsbury's joint company with British Home Stores. These centres run to 70,000 square feet of retail space and need a 10-12 acre site.

● Over the past three years Sainsbury has been among the most active of the retailing owners-developers, investing around £70m. in new stores and building up a £130m. property portfolio.

● In the past five years the number of rent review negotiations referred for arbitration to the Royal Institution of Chartered Surveyors has increased ten-fold to over 3,000 a year.

Tenants' increasing willingness to fight reviews has inspired Leslie Lintott and Associates to take a close look at the whole question of review negotiations. And the agents have come up with the argument that landlords' pressure for increasingly restrictive leases with ever shorter rent review periods has created a reaction in the form of tenant resistance to higher rents.

The case against tighter leases centres on the point that the easier the lease the greater the tenant's effective equity in a building, and the higher the justifiable rent on review. Lintott believes that a clear rental discount is emerging for leases with more frequent reviews as this, ostensibly obvious point, sinks in.

The agents also take a jaundiced view of full repairing and insuring leases. These leases have become fashionable as a way of reducing management problems. But less direct management costs mean that, for example, rating assessments are not actively negotiated and future rents are depressed by undue rate charges.

Looking at the tenants' side of review discussions, Lintott advises a structural survey and a local search before getting down to figures. The sad case of the tenant who signed new rental terms shortly before work started on an adjacent motorway flyover makes their point.

● Capital and Counties remains everyone's favourite bid speculation. But the latest spate of rumours, citing BP's pension fund as a suitor, are, at the least, premature. Union Corporation has still not sold its key 28.4 per cent. stake in CCPC. And although there is persuasive logic in the idea of adding CCPC's residual West End properties to the oil fund's Mayfair and Knightsbridge estates, could the fund afford it? A poor oil fund may seem to be a contradiction in terms. But £55m. for Knightsbridge is believed to have soaked up much of this year's spare cash.

● Fear of continuing inflation and the effects of the uncertain political climate are turning the Dutch into a nation of home buyers. Sevilla, in a review of property in Holland, report that house prices rose by 21.2 per cent. in 1975 and 24.9 per cent. last year.



Mr. Horace Cutler, Leader of the Greater London Council, yesterday promised that "London will not operate a policy of restrictive office buildings, and the dead hand of bureaucracy will not be allowed to thwart progress."

Speaking at the topping-out ceremony for U.K. Provident's 162,500 sq. ft. redevelopment of the old Waring & Gillow building at 189 Oxford Street in London's West End, Mr. Cutler went on to say, "The sooner the system of Office Development Permits becomes redundant—together with the

Location of Office Development Permits cannot positively be decided—the building is now under construction. The GLC leader also promised for a more open approach to office development, saying that ill-considered "outlets" resulted in "high-rise" buildings without new jobs to fill them. There would be "a clear-cut" criteria for office buildings: no unemployment, no excessive and violence.

U.K. Provident and joint letting agents, Edwardes and Gross Fine & Carter, Chairman, will be pleased enough that the topping-out produced that "over-optimism" in an interesting speech.

But the owner has another reason to celebrate this week. It will soon announce the letting of its 25,000 sq. ft. City office refurbishment at 15 Austin Friars, in the shadow of the Stock Exchange building.

The air-conditioned building shown here, has been let to an unnamed merchant bank for around £13 a sq. ft. U.K. Provident's letting agents, Edwardes and Gross Fine & Carter, are not unhappy about the deal as around 38 per cent. of the floor space is below ground. Baker Harris Saunders acted for the bank.

15 Austin Friars was originally in form part of a major redevelopment scheme. But the site has been sub-leased and U.K. Provident are separately marketing 14 Austin Friars, the 6,300 sq. ft. high-bouncing building. Vickers are asking just over £14 a sq. ft.

has made funds nervous about prices and increased the pressure on other property investment areas. As a result, prime office yields have slipped to 6.8-5 per cent., shops are just a fraction higher and prime industrial properties sell down to an 8 per cent. yield. Despite the block on central and local government office expansion, Jones Lang Wootton forecast heating of the housing market

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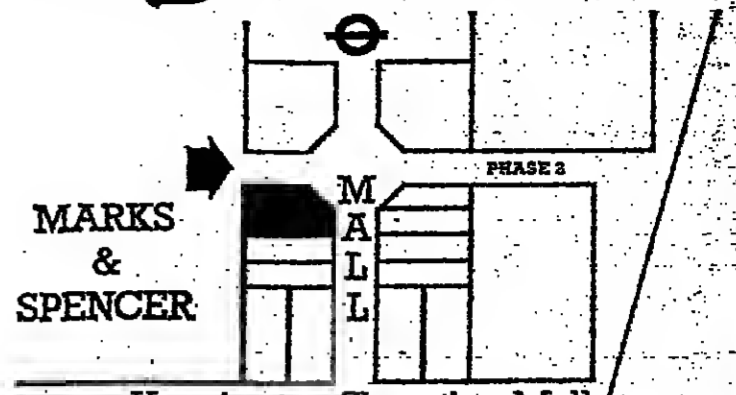
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LEGAL NOTICES

No. 00316 of 1977

IN THE HIGH COURT OF JUSTICE Chancery Division. Notice is hereby given that the Matter of S. J. & P. HUGHES (BUILDING CONTRACTORS) LIMITED and in the Matter of the Companies Act 1948.

NOTICE IS HEREBY GIVEN that a Petition for the Winding-up of the above-named Company by the High Court of Justice was on the 17th day of October 1977, presented in the said Court by M & J ENGINEERS LIMITED whose registered office is at 11, Star House, Motton Lane, Porters Bar, Hertford, and that the said Petitioner is directed to support or oppose the making of an order on the said Petition...

BRABY & WALLER, 23, Hill Street, First Floor, 100, Cannon Street, London EC4A 3DF. Ref: F.7711. Tel: 01 293 9511. Solicitors for the Petitioner.

NOTE—Any person who intends to appear at the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or firm, or his or her solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named office not later than four o'clock in the afternoon of the 18th day of November 1977.

THE COMPANY'S ACTS 1968 to 1967 S. J. & P. HUGHES (BUILDING CONTRACTORS) LIMITED Notice is hereby given, pursuant to section 283 of the Companies Act 1968, that a Meeting of the Creditors of the above-named Company will be held at Winchester House, 100, Hill Street, London E.C.4, on Wednesday, 23rd November 1977, at 12 noon, for the purpose of ascertaining the claims of the creditors of the Company and to consider the said Act.

Dated this 26th day of October, 1977. By Order of the Board, D. E. OUSING, Secretary.

PUBLIC NOTICES

NALTON BOROUGH COUNCIL 8755-000 Nalton Borough Council 0115 4400 4400 Monday 1977-1978-1979-1980-1981-1982-1983-1984-1985-1986-1987-1988-1989-1990-1991-1992-1993-1994-1995-1996-1997-1998-1999-2000-2001-2002-2003-2004-2005-2006-2007-2008-2009-2010-2011-2012-2013-2014-2015-2016-2017-2018-2019-2020-2021-2022-2023-2024-2025-2026-2027-2028-2029-2030-2031-2032-2033-2034-2035-2036-2037-2038-2039-2040-2041-2042-2043-2044-2045-2046-2047-2048-2049-2050-2051-2052-2053-2054-2055-2056-2057-2058-2059-2060-2061-2062-2063-2064-2065-2066-2067-2068-2069-2070-2071-2072-2073-2074-2075-2076-2077-2078-2079-2080-2081-2082-2083-2084-2085-2086-2087-2088-2089-2090-2091-2092-2093-2094-2095-2096-2097-2098-2099-2100-2101-2102-2103-2104-2105-2106-2107-2108-2109-2110-2111-2112-2113-2114-2115-2116-2117-2118-2119-2120-2121-2122-2123-2124-2125-2126-2127-2128-2129-2130-2131-2132-2133-2134-2135-2136-2137-2138-2139-2140-2141-2142-2143-2144-2145-2146-2147-2148-2149-2150-2151-2152-2153-2154-2155-2156-2157-2158-2159-2160-2161-2162-2163-2164-2165-2166-2167-2168-2169-2170-2171-2172-2173-2174-2175-2176-2177-2178-2179-2180-2181-2182-2183-2184-2185-2186-2187-2188-2189-2190-2191-2192-2193-2194-2195-2196-2197-2198-2199-2200-2201-2202-2203-2204-2205-2206-2207-2208-2209-2210-2211-2212-2213-2214-2215-2216-2217-2218-2219-2220-2221-2222-2223-2224-2225-2226-2227-2228-2229-2230-2231-2232-2233-2234-2235-2236-2237-2238-2239-2240-2241-2242-2243-2244-2245-2246-2247-2248-2249-2250-2251-2252-2253-2254-2255-2256-2257-2258-2259-2260-2261-2262-2263-2264-2265-2266-2267-2268-2269-2270-2271-2272-2273-2274-2275-2276-2277-2278-2279-2280-2281-2282-2283-2284-2285-2286-2287-2288-2289-2290-2291-2292-2293-2294-2295-2296-2297-2298-2299-2300-2301-2302-2303-2304-2305-2306-2307-2308-2309-2310-2311-2312-2313-2314-2315-2316-2317-2318-2319-2320-2321-2322-2323-2324-2325-2326-2327-2328-2329-2330-2331-2332-2333-2334-2335-2336-2337-2338-2339-2340-2341-2342-2343-2344-2345-2346-2347-2348-2349-2350-2351-2352-2353-2354-2355-2356-2357-2358-2359-2360-2361-2362-2363-2364-2365-2366-2367-2368-2369-2370-2371-2372-2373-2374-2375-2376-2377-2378-2379-2380-2381-2382-2383-2384-2385-2386-2387-2388-2389-2390-2391-2392-2393-2394-2395-2396-2397-2398-2399-2400-2401-2402-2403-2404-2405-2406-2407-2408-2409-2410-2411-2412-2413-2414-2415-2416-2417-2418-2419-2420-2421-2422-2423-2424-2425-2426-2427-2428-2429-2430-2431-2432-2433-2434-2435-2436-2437-2438-2439-2440-2441-2442-2443-2444-2445-2446-2447-2448-2449-2450-2451-2452-2453-2454-2455-2456-2457-2458-2459-2460-2461-2462-2463-2464-2465-2466-2467-2468-2469-2470-2471-2472-2473-2474-2475-2476-2477-2478-2479-2480-2481-2482-2483-2484-2485-2486-2487-2488-2489-2490-2491-2492-2493-2494-2495-2496-2497-2498-2499-2500-2501-2502-2503-2504-2505-2506-2507-2508-2509-2510-2511-2512-2513-2514-2515-2516-2517-2518-2519-2520-2521-2522-2523-2524-2525-2526-2527-2528-2529-2530-2531-2532-2533-2534-2535-2536-2537-2538-2539-2540-2541-2542-2543-2544-2545-2546-2547-2548-2549-2550-2551-2552-2553-2554-2555-2556-2557-2558-2559-2560-2561-2562-2563-2564-2565-2566-2567-2568-2569-2570-2571-2572-2573-2574-2575-2576-2577-2578-2579-2580-2581-2582-2583-2584-2585-2586-2587-2588-2589-2590-2591-2592-2593-2594-2595-2596-2597-2598-2599-2600-2601-2602-2603-2604-2605-2606-2607-2608-2609-2610-2611-2612-2613-2614-2615-2616-2617-2618-2619-2620-2621-2622-2623-2624-2625-2626-2627-2628-2629-2630-2631-2632-2633-2634-2635-2636-2637-2638-2639-2640-2641-2642-2643-2644-2645-2646-2647-2648-2649-2650-2651-2652-2653-2654-2655-2656-2657-2658-2659-2660-2661-2662-2663-2664-2665-2666-2667-2668-2669-2670-2671-2672-2673-2674-2675-2676-2677-2678-2679-2680-2681-2682-2683-2684-2685-2686-2687-2688-2689-2690-2691-2692-2693-2694-2695-2696-2697-2698-2699-2700-2701-2702-2703-2704-2705-2706-2707-2708-2709-2710-2711-2712-2713-2714-2715-2716-2717-2718-2719-2720-2721-2722-2723-2724-2725-2726-2727-2728-2729-2730-2731-2732-2733-2734-2735-2736-2737-2738-2739-2740-2741-2742-2743-2744-2745-2746-2747-2748-2749-2750-2751-2752-2753-2754-2755-2756-2757-2758-2759-2760-2761-2762-2763-2764-2765-2766-2767-2768-2769-2770-2771-2772-2773-2774-2775-2776-2777-2778-2779-2780-2781-2782-2783-2784-2785-2786-2787-2788-2789-2790-2791-2792-2793-2794-2795-2796-2797-2798-2799-2800-2801-2802-2803-2804-2805-2806-2807-2808-2809-2810-2811-2812-2813-2814-2815-2816-2817-2818-2819-2820-2821-2822-2823-2824-2825-2826-2827-2828-2829-2830-2831-2832-2833-2834-2835-2836-2837-2838-2839-2840-2841-2842-2843-2844-2845-2846-2847-2848-2849-2850-2851-2852-2853-2854-2855-2856-2857-2858-2859-2860-2861-2862-2863-2864-2865-2866-2867-2868-2869-2870-2871-2872-2873-2874-2875-2876-2877-2878-2879-2880-2881-2882-2883-2884-2885-2886-2887-2888-2889-2890-2891-2892-2893-2894-2895-2896-2897-2898-2899-2900-2901-2902-2903-2904-2905-2906-2907-2908-2909-2910-2911-2912-2913-2914-2915-2916-2917-2918-2919-2920-2921-2922-2923-2924-2925-2926-2927-2928-2929-2930-2931-2932-2933-2934-2935-2936-2937-2938-2939-2940-2941-2942-2943-2944-2945-2946-2947-2948-2949-2950-2951-2952-2953-2954-2955-2956-2957-2958-2959-2960-2961-2962-2963-2964-2965-2966-2967-2968-2969-2970-2971-2972-2973-2974-2975-2976-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The Management Page

EDITED BY CHRISTOPHER LORENZ

As the Royal Society of Arts gives a batch of company awards, Sue Cameron discusses the judges' criteria from an industrial viewpoint

Design management: more than mere cosmetics?

ONE OF the winners of the 1977 Royal Society of Arts Presidential Awards for Design Management insisted this week that design must never be confused with cosmetics.

It would be interesting to know whether all the judges of the RSA award scheme would give their wholehearted agreement to this dictum. The names of this year's award winning organisations were announced yesterday but the stated aims of the scheme beg a number of questions as to exactly what is meant by "design management."

The official line on the awards, which are administered by the Design Council in conjunction with the RSA, is that they are meant to "contribute to industry's awareness of the role of design in improving the environment as well as increasing profitability and business performance."

They are also intended to "encourage a comprehensive approach to design" and cover not only manufactured products but also showrooms, premises, advertising, printed material, liveries, signposting, and many other things "which contribute to the total quality of a company as seen by its customers, employees and others."

There is no doubt that the seven winners of the 1977 awards match up to these vague criteria. Whether design "awareness" is the same as good design management is rather more debatable. In any event, from the judges' citations, it would appear that effective management of product design was not one of the chief concerns. They seem to have been more interested in appearances.

The winners themselves are a mixed bunch—Mothercare, Hornsea Pottery, The Post Office, The National Trust, Ernest Scragg and Sons, Grant Instruments, and Chubb and Son. They were chosen from a total of 15 entries, most of whom were invited to apply for an award by the RSA and the Design Council.

Perhaps the most interesting

of the winners are Ernest Scragg, Grant Instruments, and Chubb. All three are engineering concerns and according to Mr. John Blake, head of the Design Council's information division, this is the first time that engineering companies have really featured in the award list.

Pricing

It was Mr. Peter Windeler of the Chubb group, which includes security, fire and safety equipment engineering companies, who commented on the dangers of confusing cosmetics with design. He said the cosmetic appearance and packaging—was important but design should rightly refer to such things as product performance and pricing.

"Good design management means that the marketing, manufacturing and design sections within a company all work together on the development of new product ideas or on suggested modifications for an existing product," he stressed. "Designers must have a thorough knowledge of the manufacturing process itself so that they know what the implications of their designs will be in terms of plant and manning levels required. There is obviously no point in coming up with designs that are going to prove too expensive for the market because of high production costs. It would be equally ridiculous to start manufacturing something that nobody wanted to buy and this is where the marketing people are important. In our 40 companies the design, marketing, and manufacturing departments work together at every stage while the managing director of each concern acts as a referee when necessary."

Mr. Windeler's concept of what is central to good design management is not really reflected in the judges' citation of Chubb. This says: "The design of fire, security and

safety equipment demands exacting standards of innovation, research and development and Chubb has amply demonstrated its leadership in these fundamental aspects of the products it makes. But it has long recognised that the technical qualities of its products must be evident to buyers and users in the care taken over the external details and ergonomics of design. Chubb has therefore retained over many years an industrial design consultant whose wide ranging responsibility has helped the group to extend its design awareness beyond its manufactured goods to its print, its packaging and to those other elements embraced by the term "house style."

The excellence of the group's products has already been acknowledged in four Design Council awards, one of which also received the Duke of Edinburgh's Design Prize. Such achievements, allied to the consistent development of other aspects of the group's design policy, have brought their reward in terms of an admirable business performance, leaving the judges in no doubt that the group provided an exemplary demonstration of good design management."

Mr. Cecil Chepman, chairman of Grant Instruments, which manufactures laboratory equipment concerned with precise temperature control, seemed to see good design management in much the same terms as Mr. Windeler.

He, too, stressed the importance of close liaison between designers, marketing people and—in Grant's case, the company's suppliers of plastic injection moulding tools. Mr. Chapman pointed out that this view of design management was different to that adopted by the RSA and the Design Council for the purposes of the award scheme. He added that design awareness in all aspects of company life, including offices and factories, was also important.



Some of yesterday's award winners, covering an unusually broad spectrum of achievement: technical innovation in engineering, restoration of buildings, corporate images, and service to the customer.

The award judges homed in on this last aspect of Grant's activities. In their citation they paid tribute to the way the company had made its products safer and easier to use, so enhancing the appeal to customers, but they devoted rather more space to Grant's environmental approach.

They noted that the company carried out its business "in a modest and unobtrusive manner as much for the benefit of the workforce and the quality of the semi-rural environment in which it is situated as for the product it manufactures."

All this is most admirable, but whether it is really design management is another matter.

Mr. Blake, who as well as heading the Design Council's information division also acted as secretary to the judges, argues that well-designed buildings are important because they

encourage people to work with maximum efficiency.

He says good product design is crucial to the successful operation of any manufacturing exercise but adds that there are a number of other things which "fan out" from the product itself. These include packaging, sales literature, instructions for use and also the corporate identity of a manufacturing organisation.

Mr. Blake insists that all these aspects of a business need to be well designed if they are to fulfill their functions efficiently and so help to sell the main product. He adds that the various design processes need to be managed at the highest level within a given company.

"Design impinges on a very wide range of activities," he says. "Yet all too often design is handled in a piecemeal, unprofessional and inept way, design and the advantages that

"The purpose of the RSA awards is to make people realise that design is likely to come under the aegis of many different managers inside a manufacturing organisation. And it needs just as much expertise as any other aspect of management."

It also needs money. If companies invested more in design they could cut their development costs, their products could become easier to manufacture and their goods might also stand a better chance of success in the market place. What is more, the real cost of allocating a greater proportion of resources to design would be comparatively small. Designers' salaries would be virtually the only expense.

Few industrialists would quibble with Mr. Blake's analysis of the need for better professional and the advantages that

can accrue from it. But the showrooms and clever packaging he makes do not seem to give many clues as to what is actually involved in the design process or in design management. And his view of designers has something of an other-worldly feel to it—a world that bears little relation to the complex practicalities of industrial production.

"The only qualifications a designer needs are a good brain allied to creative ability," he says. "Designers don't require a great deal of equipment—often just a paper and pencil. An industrial company should then be able to provide plenty of other people who can translate the designer's ideas into production terms."

Mr. Blake points out that there is a distinct difference between the people known as industrial designers, who are concerned mainly with appearance and ease of use, and technical designers who are normally engineers with a high degree of technological skill. He also admits that all designers should have some knowledge of the industrial restraints that will be brought to bear on their original, creative ideas, but Mr. Blake does not think it is necessary for industrial designers to have a detailed understanding of manufacturing processes.

He insisted that design was something more than a process that had to be slotted in somewhere between marketing and manufacturing. Designers needed to play a far more powerful role in manufacturing industry; they ought to become chief executives of companies in much the same way as accountants, but for this to happen, they would have to come out of their back rooms, throw away their professional reputations and take their places in the queue for ordinary line management jobs.

Mr. Gorb said design was the "missing factor" in industry today and designers had much to offer. But they would have to stand on their business abilities—just like arts graduates, chemists and mathematicians—if they were to have any real influence.

Liaison

But this approach to design management would seem to be only part of what is required. Close liaison between the marketing, manufacturing and design departments of an industrial organisation would seem to be vital.

Lovely buildings, elegant

On Tuesday we examined the status of manufacturing in Japan, Sweden and Britain. To-day Sue Cameron looks at West Germany.

An engineer's utopia

GERMAN mechanical engineers working in private industry earn more and have greater job satisfaction than their counterparts in the public sector. They also enjoy more responsibility.

These are some of the main conclusions of an unpublished study for the Department of Industry, carried out by Mr. Peter Lawrence, senior research fellow in the sociology department at Southampton University.

The study took as its starting point the commonly-held belief that industry in general and the engineering profession in particular are held in much lower esteem in Britain than in certain foreign countries, including Germany. The aim of the research was to discover the practical implications of attaching high status to engineering and manufacturing.

Mr. Lawrence based his research on interviews with over 1,000 German mechanical engineers with qualifications from either universities or engineering schools. About 70 per cent worked in industry, the rest in the public sector—the railways and post office, as well as central and local government, federal and higher education.

Remuneration

The study showed that one very tangible difference between German engineers in industry and those in the public sector concerned pay. The average earnings of the German engineers in the study sample were higher in industry than in the public sector.

The findings were in line with a major German study published in Dusseldorf last year by Professor Eugen Kogon, which showed not only that engineers in industry had higher average remuneration than their public sector colleagues but that this held for all age groups and all qualification levels.

Mr. Lawrence's study underlines that this position is reversed in Britain. He points out that the 1977 salary surveys of the British Institution of Mechanical Engineers and the Institution of Electrical Engineers show that all types of public sector employment offer higher average remuneration than industry. "It may be fairly claimed that this fact is a constant of the different standards of industry in the two countries," his report says.

The research findings suggest that in Germany family recruitment pressures for engineers to work in industry were strong. Engineers in the sample were asked to explain how they came to choose engineering as an occupation. It was found that



more of those working in industry referred to the influence of their fathers who were also engineers than was the case with the public sector group.

It was also discovered that, for the engineers in German industry, practically did not consist exclusively of technical knowledge and experience. There was a concern for knowledge of economics and for foreign language skills.

Looking back on their engineering training, a higher proportion of those employed in industry said they would have liked more time—or at least some time—in their course to have been spent on business economics and on foreign languages.

The study goes on to say that the engineers employed in industry were, on average, younger than those in the public sector. A total of 61 per cent of the industry group in the sample were under 40, as opposed to 52 per cent of the whole sample. It was also clear that there existed a small movement away from industry.

These two facts taken together suggest, quite simply, that not all those who begin their working career in industry can stand the pace even though rewards are higher in industry.

"Prescribed hours of work are much the same in industry as in the public sector, but we asked the engineers in the sample how long they had worked in the week preceding the interview. We found that 48 per cent of the industry group had worked more than 48 hours as opposed to 33 per cent of the public sector group.

"The industry group also emerged as having greater responsibility and authority. A higher proportion of them claimed decision-making authority in a range of 15 areas including research and development, design, training and main-

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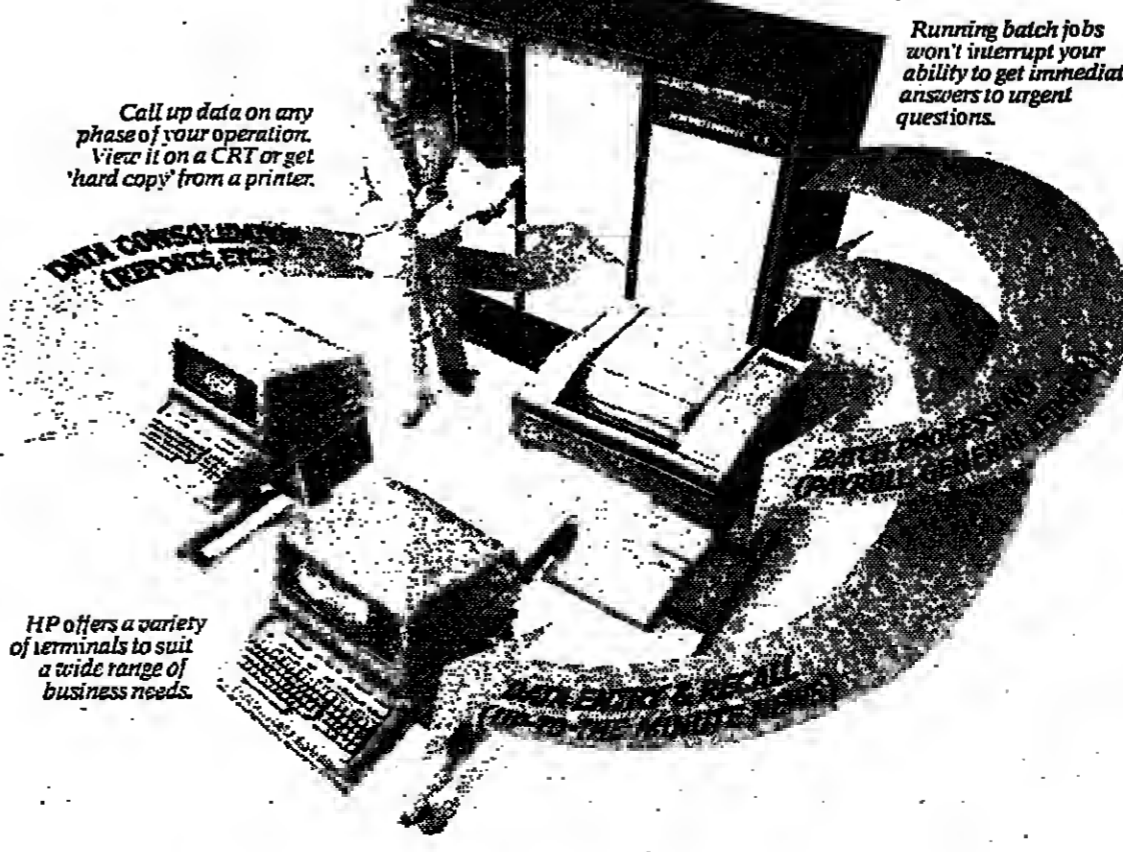
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FINANCIAL TIMES

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Friday October 28 1977

Dr. Burns hits back

THE DISPUTE between the U.S. Administration and the Federal Reserve Board about the conduct of monetary policy is now being quite openly conducted, yet it remains difficult to describe clearly the points at issue. The background to the affair is that, while the growth rate of the U.S. economy has fallen and there are widespread fears that it may fall further next year, the money supply (at least on one definition) has been rising faster than the Federal Reserve target. While some commentators, therefore, have criticised Dr. Burns, the chairman of the Federal Reserve, for not keeping a sufficiently tight grip on the money supply to control inflation, others have been more alive to the danger that he might wish to push up interest rates still further and so discourage a faltering revival in investment.

The Chairman of the Council of Economic Advisers, in particular, Mr. Schultz, has argued that technical changes in banking have distorted the standard measures of the money stock and made the present growth targets of questionable value. Last week, however, a statement from the White House itself issued a specific warning against a rise in interest rates which had already unsettled the stock market. Rapid growth of the money supply was dangerous when the economy was stretched, it went on, but that was not the case at present; the fact that the money growth targets had been exceeded called for no special action.

Profits level

Although the Federal Reserve and its chairman were not named in this statement, there was no doubt that it referred to them. Moreover, despite reports that the statement had not been approved by the President and that Mr. Schultz had apologised to Dr. Burns for his misunderstanding, the latter clearly felt bound to hit back. In a public speech on Wednesday—in the course of which he made a number of unflattering remarks about the Administration's economic

It must not be fudged again

IN THE TEN years since the steel industry was nationalised, its affairs have been an almost constant preoccupation of its political masters. When the Conservative Government came into office in 1970 the best part of three years was spent examining the possible scope for reorganising the British Steel Corporation before approval was finally given to what was then a £3bn. programme for modernising the industry. Then, when the Labour Government took over barely a year later, many more months of discussion followed while a new set of Ministers fulfilled their pre-election promise to review the Corporation's plans to close down its older high-cost works as the new, more efficient ones came in, a process that eventually culminated in a decision to delay for employment reasons many of these closures for some time after the plants concerned would no longer be needed. Now, when the BSC has been caught part way through its ambitious modernisation programme by the worst recession the world's steel makers have known since the 1930s, the Corporation's affairs are again attracting Ministerial attention; and once again it seems possible that short-term political interests will triumph over the longer-term needs of the industry.

Record loss

The scale of the losses which the Corporation is now incurring is such that, as its chairman, Sir Charles Villiers, said in a speech last night, it would now be in receivership or liquidation if it were a private sector company. In the first-half of the present financial year, the Corporation lost £200m, and the latest estimate for the full year is close on £300m, or almost double the figure for 1973-76, BSC's worst loss up to now. What is more, the Corporation's inability to deliver reliably and regularly to its customers—a reflection, among other factors, of having to operate so much obsolete plant—has helped to reduce its share of the home

Strengthening the struggle against hijackers

By MICHAEL DONNE, Aerospace Correspondent

THE acceptance of a demand that West Germany should provide its own security checks at Spanish airports, among others, in the wake of the recent hijacking of a Lufthansa Boeing 737 jet, represents a major new development in the world airline industry's long fight against hijacking and other forms of aerial terrorism.

It follows the threat by the International Federation of Air Line Pilots' Associations, representing 55,000 world airline pilots, of a 48 hours' stoppage unless urgent action to suppress hijacking is taken by governments. The threat, due to be implemented this week, was only removed for the time being because Dr. Kurt Waldheim, secretary-general of the UN, agreed to use his personal influence to try to ensure that action in the UN throws up some solutions to the increasing problem of world terrorism, and the recurrent problem of aerial terrorism in particular.

The UN General Assembly has already agreed unanimously to give immediate attention to the problem of safety in civil aviation, but no date for a full-scale debate in the Assembly has yet been fixed. In the meantime, following an address this week by Captain Derry Pearce, president of the international pilots' federation, the 47-nation Special Political Committee of the UN has passed an emergency resolution condemning hijacking or other offences against civil aviation, and has urged member States to "take all necessary steps" to ensure that passengers and crews are not used as hostages by terrorists.

The responses by the West German Government and world airline pilots can be viewed as the first moves in what may become a new wave of pressure to impose sanctions or other penalties on those countries which provide what pilots call "hijackers' havens," and have made virtually a mockery of the international agreements designed to stamp out the menace of aerial terrorism.

The problem of hijacking, and of other crimes committed against airliners, has been with the air transport industry for many years. In the 1950s and early 1960s, it was comparatively rare, and more than anything considered a potential nuisance. Towards the end of the 1960s, however, it began to assume the proportions of a major crisis for the airlines, resulting in the savage years of 1969 and 1970, when a large number of all the attempted hijackings were successful, as the accompanying table shows. In those two years, there were among others incidents such as the destruction in flight of a Swissair jet over Switzerland; and the hijacking to Dawson's Field in Jordan and subsequent



One of the two Americans in the hijacked Lufthansa aircraft is carried away after being fainting when she and the other victims returned safely to Germany.

THE PATTERN OF AERIAL TERRORISM

Year	Attempts (hijacking or other terrorist acts)	Successes*	Failures
1969	86	73	13
1970	80	53	27
1971	61	26	35
1972	65	22	43
1973	43	11	32
1974	21	4	17
1975	19	2	17
1976	19	4	15
1977†	25	4	21

* Measured by whether or not the hijacker/terrorist achieves his aims. † To date.

reputations in the world for the severity and even ruthlessness of its searches of passengers and baggage, and it is known to carry armed "sky-marshals".

The increasing slackness in all these measures in recent years in many airlines and airports is directly related to the decline in the volume of hijacking in the mid-1970s. What has shaken the airline industry this year is that the graph appears

to be rising again, and that although the number of successes (measured by the hijackers getting what they want in ransom money or the release of political prisoners) may still be small, each event appears to become more of a dangerous ordeal for the airline's passengers and crew than the one before.

What is now worrying everyone in civil aviation is that there have been enough successes in the past two years to result in a pool of "trained hijackers," highly motivated politically and well supplied with ransom money, to ensure that sooner or later there will be another hijacking that may not end so well for the forces of law and order as did the recent Lufthansa hijack. The pilots in particular point to the apparently increasing mental instability and ruthlessness of the latest breed of terrorist, and they fear that in future, faced with the now certain retribution of commando-type rescues, hijackers will become more swift and merciless in their treatment of victims.

The nature of aerial terrorism, they argue, is not likely to change simply as a result of the successful ending of the Lufthansa hijacking, and therefore the airline industry's and governments' responses must change, too.

There is no doubt that the events of the past few weeks will result in some degree in a toughening of the existing security regulations at most airports, involving further delays to the air transport system, and inconvenience to passengers. Public opinion will demand no less. The West German ultimatum to Spain that unless it permitted West Germany to fly to supplement the existing

'A need for sanctions'

What they really want to see is a much tougher international attitude to the whole problem, involving the imposition of sanctions on countries failing to adhere to the existing pacts, as well as the strict implementation of security measures world-wide, which they believe to have become intolerably lax.

But the pilots, and the airlines which have much sympathy with their basic aims, know they face a tough struggle. The weakness of the existing pacts is well recognised. In 1973, in Rome, an effort was made by the ICAO to get yet another convention, that would try to close the loopholes left by the other three. But the effort foundered, for a variety of reasons. One was what many

MEN AND MATTERS

Fight for the long-tailed hake

Toulson most of all is that Russian fishing fleets are relentlessly catching the Patagonian hake and selling it to Britain. It seems that we are already eating it, although known in fish fingers, fish and chips and fish-cakes—but that Nobody will say what the value of the Falklands is, although Sotheby's have been quoted as estimating a value of £200,000-£250,000 at that time.

Dent recalls that the portrait was once the property of the Truman family and has been hanging in the Brick Lane, Shoreditch, boardroom ever since it was painted 200 years ago. The building had originally been Sir Benjamin's town house. Then at the end of the last century the work was bought by the company from the family's trustees. "We never dreamed in my day that Gainsborough's picture of the founder would ever leave that room, let alone the country." For his part Joseph says he is very sad about selling the painting and would not have bought it unless he had wanted it to stay in the boardroom.

Memories of Ben

Up in Wetherby, Yorkshire, the growing likelihood that Gainsborough's full-length portrait of Sir Ben Truman will go to America is dismayed 86-year-old Geoffrey Dent. "I sat under that painting for 41 years in the dark corners of the Foreign Office suggest that the fish fryers may not be too disappointed. "We think we can hang on to the Falklands to 2,000 AD, old boy."

Tesco teaser

A mystery that has been keeping computer men in acute suspense will be over in "days rather than weeks." This is who is getting the contract for Tesco's computerised stock control system; since it is worth more than £5m, it is the biggest deal in its field in the British retail trade. Last Monday Tesco was due to hold a Press conference to announce this "important decision"—and at the very last moment it was called off. Journalists who turned up expectantly were just as quickly turned away, with no word of explanation.

This inevitably led to speculation of some last-minute change of plans. Naturally enough, there has been keen competition for the deal, with

Grand Metropolitan chairman

Maxwell Joseph has sold the painting to raise money to meet his personal tax bills. He bought it in 1972, a year after the Truman takeover by Peter de Cologny, of Colnaghi's. Nobody will say what the value of the Falklands is, although Sotheby's have been quoted as estimating a value of £200,000-£250,000 at that time.

From the heart

If there were an award for the year's most leaden marketing prose, a strong candidate must surely be the latest circular letter from American Express in search of new credit card holders. It starts like this: "Do you ever think of your career in terms of landmarks? The first time you had your own secretary? The first time you had your own office, your first business trip abroad? No doubt you take these things very much for granted to-day. But can you recall how important they were to you at the time? I would like to suggest that there may be another landmark in view for you..." Guess what, fellows.

Moving up

Overheard this week in a City pub: "At last my wife's dream of living in a flat in a more expensive part of London has come true—our landlord has just increased the rent by 20 per cent."

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APOLLO 15

Politicians in for a nerve-racking time

THE TRADITIONAL, pre-Queen's Speech canter round a political course which has become obligatory for commentators at this time of year can be a pretty tedious outing. We have seen all the jumps and scudded all the runners far too often before.

But this year's expedition may be more valuable than most. The firm is unusually tricky, the setting is remarkably even, and some of the hurdles have been subtly altered since the last year.

First, the runners... no, on second thought I had better abandon this metaphor before I had myself offering Mr. Callaghan a sugar lump or injecting Mrs. Thatcher's fetters. First, then, the state of the broad picture and appears to confirm the most cynical view of the motivations of the British Government. It is certainly content with a theory of voting behaviour tied closely to the economy and more particularly with a short time-lag to fluctuations in real disposable income.

If this were all there were to it, of course, the Conservatives would not have a prayer. Nothing on earth, particularly Mr. Healey's nice little and-out this week, can prevent disposable incomes rising some months. All Mr. Callaghan need do is sit back with his usual amiable smile and whatever date for a general election best suits his holiday plans and the state of the forest in Sussex.

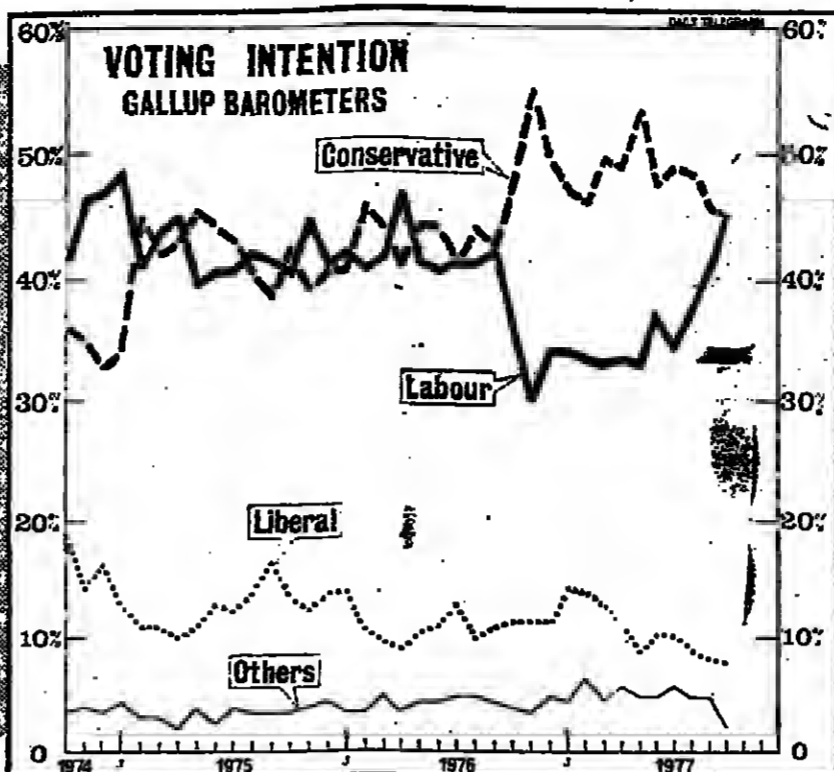
On this calculation, moreover, the electoral climate should be favourable for a very considerable time. If one accepts Treasury's half-yearly economic predictions, issued

as a gloss on Mr. Healey's speech this week—and as a matter of fact the dodgy parts of it do not greatly affect the real standard of living prospects in the short and medium run—the Government will be in a solid position to go to the country at any time between now and the autumn of 1978.

At that point, it is true, the electoral prospects might be affected. For if (as many Treasury maudrains privately anticipate) earnings increases have pushed up to the 14 to 15 per cent mark, prices will also start to creep up again about then. But even if that does happen the shock to the Government's popularity need not be immediately disastrous. It would still take some time—perhaps most, if not all of the winter of 1978-79—for inflation to overtake monetary wage increases; and, on this assumption, that gives Mr. Callaghan a clear run of another full 18 months.

If we start thinking in these terms the whole position looks very different. The question for the new session of Parliament is likely to be less the pace at which the economic indicators react and more the way in which events conspire to highlight the by now well-established strengths and weaknesses of the main political parties. On policy, for instance, it seems to me that the Conservatives stand to gain during this winter—which is why, in an article from Blackpool weeks ago, I rather rashly committed myself to the proposition that if the election came in 1978 they would have a good chance of winning it whatever the opinion polls might say in the meantime.

The point is that the most salient issues of the coming months are likely to be those which the mood of the country appears to be in sympathy with the Conservative rather than the Labour approach. The prime example of this, of course, is the question of trade union power. While the unions are so unpopular as they are today, the Government cannot win whatever it does but if it gives in to wage pressure in the public sector it wrecks its economic strategy, and proves that it is in pawn to the greatest vested interest in the land. If



On the other hand, it fights, there will be strikes and that will prove what nasty people Labour associates with. The concern large nationalised concerns like British Leyland, or law and order (and police pay) or immigration or a high ethical tone in Southern Africa. Labour can play conservative with the best of them—and no one better than Mr. Callaghan. But people feel the unease in the Labour Party when this happens—even if the Tribune Group can be dissuaded from shouting it from the rooftops—whereas the Conservatives in spite of some tensions of their own, will tend to find themselves almost without willing it, nearer

a master at creating a favourable tone during the months of the run-up to an election and in the process he has deprived quite some of the Opposition's assets of their force.

There is a large element of unfairness about this in that the idea of a male, Prime Minister is intrinsically far more "comfortable" for most people than a female one. But there is the additional question of whether Mrs. Thatcher's image is not now set in an iron mould as a result of her past speeches and appearances, and whether any amount of chipping away at the edges by Mr. Chris Patten and other popular, but the Conservative emollient speech writers can undo the damage. The findings of the latest Gallup Poll, taken after her Blackpool speech (generally hailed as one of Mr. Patten's best efforts) are strikingly disappointing. Forty-nine per cent think she is proving a good leader of the Conservative Party—a figure which, while it does not match Mr. Callaghan's 59 per cent rating as Prime Minister, is entirely satisfactory. The trouble is that the question "who would make the better Prime Minister—Mr. Callaghan, Mrs. Thatcher or Mr. Steel?" produces 46 per cent for the Prime Minister, 29 per cent for Mrs. Thatcher.

The more one ponders this problem the more inevitable it seems that Mrs. Thatcher should try to do a deal in the next few months with Mr. Heath. A rapprochement would not simply kill off in the public mind the constant suspicion that the Tories are a divided party, it would also soften Mrs. Thatcher's own reputation and might actually make her a lot less tense in herself.

Cautious

Needless to say nothing is ever as simple as that. For one thing politicians have learned to be extremely cautious about opinion polls except when they show a settled trend over a long period, and even then they precipitate descent of Tory fortunes as measured by this barometer in the past two months shows how rapidly things can change. There is also the unpleasant fact, painfully illustrated for Labour in 1970 and the Conservatives in February 1974 that in a three-week campaign changes occur even faster than normally. And the reason may well be precisely because in a campaign people's minds are

Letters to the Editor

Any higher offers?

In the Chairman's *Building Holdings* article—Development land tax continues to inhibit the supply of good building land and it is viewed that the mad scramble saw among developers in 1972 accompanied by escalation prices is, once again, just and the graduates' employment is shown as a percentage from each university the smaller universities' employment performance will vary greatly from year to year. Admittedly Aston which is a small university, ranked first, but if it had only 50 more unemployed (which is insignificant) it would have dropped to 20th place.

John Bilson,
43, Rural Vale,
Northfleet, Kent.

Exchange controls

From Mr. W. P. Platt,
30, London Wall, E.C.2.

Revaluation of the currency

From Mr. W. Ridley,
The White Lodge,
3, Sandrock Road,
Tunbridge Wells, Kent.

Taxed into shabbiness

From the Chairman,
William Cook and Sons
(Sheffield)

Sir—How out of touch with present day U.K. taxation on Mr. Fred Lintott (October 25), the new president of the Federation of Merchant Tailors be? Most older British businessmen do not dress shabbily because either they want to or they can't be bothered, but because they are forced to by the penal taxation rates in our country.

Premium bonds

From Mr. P. Meacham,
15, Homegate, Luton, Beds.

Sir—My experience with premium bonds has made me wonder whether all one's bonds take part in all prize draws, and whether the numbered bond chosen receives its prize.

EEC fishing plans

From Mr. R. Jones,
44, Kent Gardens, Enning, W.13

Sir—Just what is the EEC common fisheries plan trying to do? If the intention is really to bare out the fish resources available within the 200-mile limit (October 21), when will the farmers have a share-out of the mainland vineyards? The U.K. happens to have very grounds that have been allowed and wisely banded. Most regions have highly valuable assets, and, for example, happen to have vine-growing regions. France and Belgium have dery managed what slender hery resources they have, or we chosen to encourage over-velopment and over-invest-ent, is no reason for them to spect the U.K. and Eire to let her regions' labourers into their fishery "vineyards"—un-ess of course the U.K. could ave back its bits of Burgundy nd sally forth to reap harvests at the time of le vendange.

The fight for Bow Lane

From Mr. J. Socker.

Sir—While welcoming your recent item (Men and Matters, October 10) concerning our fight to save the Bow Lane conservation area from wholesale destruction by developers, I would greatly appreciate the opportunity of correcting a number of statements attributed in your article to Mr. Peter Green, Watling Street Properties' surveyor.

Employment and Universities

From Mr. J. Bilson.

Sir—I believe that your article "How Universities fared in the employment market" (October 20) gives a misleading picture. Michael Dixon asks for an inquiry as to why Essex and the University of East Anglia's employment performance has varied so much from year to year. Simple arithmetic and common sense will answer this for him.

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To-day's Events

- GENERAL
- Mr. Helmut Schmidt, West German Chancellor, gives Alastair Buchan Memorial Lecture, London.
- EEC Council of Social Affairs meets, Luxembourg.
- Institute of Personnel Management's two-day national conference ends, Harrogate. Speakers include Mr. Joel Barnett, Chief Secretary, Treasury, Mr. Jim Mortimer, chairman, Advisory Conciliation and Arbitration Service, and Mr. Arthur Scargill, president, Yorkshire area, National Union of Mineworkers.
- Mr. Eric Varley, Industry Secretary, speaks at Manchester Chamber of Commerce lunch, Midland Hotel.
- Mr. John Sukka, Agriculture Minister, speaks at Cake and Biscuit Alliance lunch, Savoy Hotel, W.C.2.
- Mr. Merlyn Rees, Home Secretary, opens new Videotex information system, New Scotland Yard, S.W.1.
- Mr. Peter Shore, Environment Secretary, meets Joint Consultative Council on Local Government Finance.
- Mr. Len Murray, TUC general secretary, leads discussion at University of Salford Teaching Company on "Management and Trade Unions—Unions and Nacossers".
- CSI Economic Situation Committee meets.
- First meeting of new Advisory Council for Adult and Continuing Education, Department of Education and Science, S.E.1.
- Closing speeches continue at Windscale public inquiry, Whitehaven.
- Annual tendering of Quilt Rents by City of London Corporation at Royal Courts of Justice, Strand, W.C.2.
- City of London Police security exhibition ends, Old Library, Guildhall, E.C.2, 3.30 p.m.
- COMPANY MEETINGS
- Carebam, Connaught Rooms, W.C.11, Doves (G. R.), Birmingham, 12, Guinness Peat, Winchester House, E.C.2, 10.30. Parker
- Timber, Erith, Kent, 12. Second City Properties, Birmingham, 11. Tor Investment Trust, Swansea, 10.15. Wood Easton, Nottingham, 12.30.
- OPERA
- English National Opera production of La Boheme, Coliseum Theatre, W.C.2, 7.30 p.m.
- BALLET
- Royal Ballet dance The Sleeping Beauty, Covent Garden, W.C.2, 7.30 p.m.
- LUNCHEON MUSIC
- Chamber Concert at Guildhall School of Music and Drama, Barbican, E.C.2, 1.10 p.m.
- SPORT
- Swimming: English Schools championships, Coventry, Tennis: Slazenger tournament, Bournemouth (9 a.m.).

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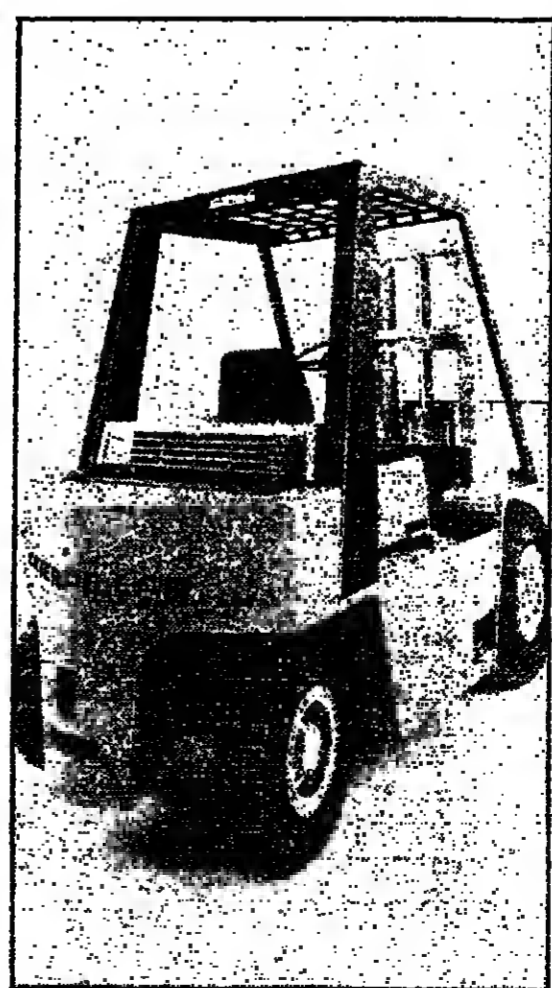
For instance, 16 Caterpillar M-Series electric lift trucks averaged no less than 97.2% availability during 31,699 service hours. That's a fact.

Before you bought Caterpillar, you'd want more proof, of course. But just consider the broad facts that back our specific claims.

Experience: Caterpillar's own 50 years reputation in machinery building combined with its acquisition of lift truck pioneer, Towmotor, puts a wealth of rugged knowledge behind the current range.

Quality: From pioneering towing trucks in 1919, and introducing one of the first conventional lift trucks in 1933, Caterpillar now manufactures in 11 countries in 19 plants that includes one out of every 7 men on the production line is devoted solely to quality control.

Engineering: Through heavy investment in research, development and engineering, the company now employs over 4,000 scientists and technicians in research alone to produce trucks that work better, handle easier, last longer.



Product Support: With 23 major parts depots, and 900 service outlets all computer-linked in 120 countries, Caterpillar's local dealer network can keep lift trucks working at peak performance throughout the world.

Range: To cover almost every conceivable materials handling task, Caterpillar offers 46 different models from 2,000 to 60,000 lb (1,000 to 27,300 kg) with a choice of cushion or pneumatic tyres and diesel, petrol, electric or LP Gas power.

If your trucks don't have the same pedigree, they're probably costing you productivity—and money.

Put it right by calling your Cat Dealer now.

H. Leverton & Co. Limited.
Tel: Windsor 63121
Bawmaker (Plant) Limited.
Tel: Cannock 2551
Caledonian Lift Trucks.
Tel: Airdrie 51111
McCormick Macnaughton (N.I.) Ltd.
Tel: Belfast 59251
McCormick Macnaughton Ltd.
Tel: Dublin 514222



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COMPANY NEWS + COMMENT

Wm. Press tops £4m. halfway—sales soar

FOR THE first half of 1977 industrial, civil and mechanical engineering contractors William Press and Son expanded earnings by £818,000 to £4,053,000 subject to tax of £2,060,000, against £1,735,000. Including £19m. this time by James Scott Engineering Group, acquired at the end of 1976, turnover soared from £22m. to £92m.

So far in the second half group trading is being maintained at a satisfactory level say the directors. The net interim dividend is lifted to 0.4p (0.375p equivalent after scrip issue) per share and the directors intend to pay a maximum permitted final. Last year an effective total of 0.75p was paid from record profit of £8.99m.

comment

Nearly two-thirds of the present turnover improvement at William Press is accounted for by a first-time contribution from James Scott Engineering. So the rate of turnover growth at Press may be slowing down and the market is taking a cautious view of full-year profits, with only a repeat of last year's £8.99m. expected. Although three-fifths of profits continue to be accounted for by contracting activities, where 40 per cent of the work done is for energy-related industries (and here Press enjoys a dominant position in the market), the future growth is likely to be achieved through acquisition. But with net cash in the last balance sheet of £12m, this should be no problem for the group. At 29p the shares yield a forecast 4.3 per cent, and sell on a prospective p/e of 4.0.

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English and Intern'l	24	5	4
English Property	24	5	4
Fidelity Radio	25	2	1
Flight Refuelling	26	5	1
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Rivlin Holdings	24	1	
Sammol Props.	25	1	
Sheepbridge Eng.	24	4	
Simpson (S.)	24	6	
Walker and Homer	25	2	
Wire and Plastic	25	3	

Progress so far at Gallaher

DESPITE PROFITS from domestic tobacco sales falling from £23.7m. to £21.2m. the tax-able surplus at Gallaher progressed from £31.7m. to £32.2m. for the first nine months of 1977, on higher group sales of £1,027.9m. compared with £922.9m. For all 1976 profits totalled £41.1m. All the equity is held by American Brands Inc.

Group sales*	1977	1976
Tobacco—Domestic	1,027.9	891.1
Tobacco—Overseas	138.1	167.7
Engineering	28.3	25.5
Optical	22.2	29.5
Distribution	12.1	19.4
Trading profit	37.9	32.8
Taxation	5.2	2.7
Tobacco—Overseas	2.3	4.9
Engineering	2.3	2.1
Optical	4.5	1.8
Distribution	4.7	4.3
Interest	3.2	3.7
Profit before tax	35.2	31.7
Taxation	16.9	13.9
Net profit	18.3	17.8
Minority interests	0.3	0.3
Extraord. debit	0.2	0.2
Available	18.1	17.7

Border Breweries improves

PRE-TAX PROFITS for the half year to August 31, 1977, at Border Breweries (Westham) improved from £431,000 to £493,000. For all the previous year, a surplus of £728,250 was achieved. The directors are confident that the popularity of the company's products will ensure a continued improved level of demand and that this will result in a satisfactory increase in second half profits. The interim dividend is lifted from 0.80p to 0.96p net—payments totalled 3.137p per 25p share for 1976-77.

Beckman remains optimistic

The priority of fabric converters and merchants, A. Beckman is to maintain and expand market share in its traditional product areas. Says Mr. S. Beckman, the chairman, who tells members in his annual statement that the direc-

McKechnie beats forecast

IN LINE with the forecast of not less than £15.6m. made at the time of the rights issue in July, non-ferrous metal and chemical manufacturers McKechnie Brothers lifted taxable profit from £12.2m. to a record £15.7m. in the year ended July 31, 1977. Sales jumped £40.9m. to £130.6m. At 110p the share was ahead from £4.85m. to £8.33m.

Six-month advance for 1928 Trust

From gross revenue of £1,064,054 compared with £966,077 net revenue of 1928 Investment Trust emerges at £312,000 (£367,337) after all charges including tax of £52,821 (£122,491) to the half year ended September 30. The interim dividend per 25p share is lifted from 2.5p to 2.75p net. Last year's total was 7.55p. Earnings per share are stated at 4.22p against 3.53p.

Olympia rises to record

Exhibition and catering group Olympia increased taxable profit from £871,315 to a record £732,542 on turnover £1.1m. higher at £3.82m. in the year to March 24. The profit is not subject to tax compared with a £368,243 credit last year. The company's ultimate holding company is Town and City Properties, an £850,000 (£810,000) dividend is to be paid.

overall it will be the U.K. and South Africa that makes the running in 1977-78. In addition there will be perhaps another £1m. extra from acquisitions made since the year end and the absence of the Aldridge strike which probably cost the group about £300,000. So overall pre-tax profits should reach over £17m. this year while the slump in the copper price is easing pressures on working capital. Borrowings are holding firm around 25 per cent of shareholders' funds. At 86p where the p/e is 41 and the yield is 9 per cent the shares are in for an upward re-rating.

Sheepbridge Eng. better half year

A RISE in taxable profit from £2,637,000 to £2,302,000 reported by Sheepbridge Engineering for the half year to September 30, 1977. Turnover improved by £2,560,777 to £2,426,000. In March the directors were confident of maintaining the company's advance in the current year over the record £3.25m. attained for the year of 1976-77. Now they state that order books throughout the group are at a good level and the order intake is buoyant. If the economic climate remains reasonably stable and industrial relations pose no problems the year should be good.

English & International ahead so far

Pre-tax revenue of English and International Trust improved from £263,400 to £314,400 in the half year to October 5, 1977. The result is subject to tax of £122,900. Directors say the increase should not be taken as an indication that there will be a rise for the full year. Last year a £383,227 profit was reported. Interim dividend is maintained at 1.05p net. A final of 2.45p was paid in 1976-77. Net asset value per 25p share is given as 120p against 106.75p at April 3, 1977.

Deundi gets better prices

Despite a higher crop, sales this year in Chittagong by Deundi Holdings had not been made quite as fast as last year, but the average price realised was considerably higher. Mr. W. Mitchell, innes reported to yesterday's annual meeting. At the end of September, 902,600 lbs had been sold at an

Henry Boot Interim Report 1977

The Construction activity is on budget. The Engineering activity is maintaining budget and has considerably reduced its level of loss which obtained in 1976. The Foundry activity has returned to a break-even position during the period under review. The Joinery activity is below budget. All other activities are on budget. Profit margins generally remain under increasing pressure. Whilst Group turnover in 1977 is expected to show an increase over 1976, Group profits before tax are expected to be close to the previous year. Work in the public sector is at a very low level. The private sector has not yet shown any increased confidence in the future.

	1977		1976	
	Half-year ended 30th June	Half-year ended 31st Dec	Year ended 31st Dec	Year ended 31st Dec
Turnover	31,489	26,133	57,017	57,017
Profit before taxation	977	1,172	2,531	2,531
Extraordinary item	—	4	—	—
Taxation	977	1,176	2,531	2,531
Profit after taxation	508	608	1,328	1,328
	469	568	1,203	1,203

The Directors of the Company have declared an interim dividend of 2 1/2p per Ordinary Share of 50p in respect of the year ending 31st December 1977 which is at the same rate as the interim dividend declared last year and will amount to £132,715 (full year 1976, £437,000). The dividend will be paid on the 11th November 1977 to shareholders whose names are on the register at the close of business on the 27th October 1977.

DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corre- for year	Total for year	Total last year
Allied Irish Banks	1.51	Dec. 16	1.56	6.0	3.14
Ayrshire Metal	1.33	Dec. 16	1.33	3.14	3.14
Border Breweries	0.96	Jan. 6	0.96	1.55	2.5
English and Inter.	1.05	Jan. 6	1.05	2.5	2.5
English Property	1.28	Jan. 12	1.18	4.84	2.55
Fidelity Radio	1.29	Jan. 12	1.18	1.5	3.9
Flight Refuelling	1.1(b)	Jan. 12	1.18	3.22	7.55
Foster Bros.	2.5	Nov. 11	2.5	6.5	2.59
Greenbank Industrial	0.83	Nov. 11	0.83	3.9	2.59
H. C. Henderson	1.54	Nov. 11	1.54	2.59	2.59
Henry Boot	2.5	Nov. 11	2.5	4.85	2.59
1928 Investment Trst. Int.	2.75	Nov. 11	2.75	2.59	2.59
Walker and Homer	2.5	Nov. 11	2.5	2.59	2.59
Walter Lawrence	4.25	Nov. 11	4.25	2.59	2.59
London Brick Co.	1.27	Dec. 30	1.13	2.59	2.59
McKechnie Bros.	3.45	Dec. 30	3.45	2.59	2.59
Minet	2.00	Nov. 18	1.55	2.59	2.59
New Sythe	6.6	Nov. 18	6.6	2.59	2.59
Sheepbridge Eng.	1.27	Nov. 18	1.27	2.59	2.59
S. Simpson	2.5	Nov. 18	2.5	2.59	2.59
Transvaal Cons. Land.	65(a)	Nov. 18	65(a)	2.59	2.59
United Carriers	0.89	Nov. 18	0.89	2.59	2.59
Walker and Homer	0.45	Nov. 18	0.45	2.59	2.59
Wire and Plastic	0.8	Nov. 18	0.8	2.59	2.59

EPC more than doubled

English Property Corporation reports more than doubled pre-tax revenue at £1.6m. for the six months to the end of April. But the pre-tax revenue exclude an £11.5m. interest charge for EPC's development properties. The interest element on development properties is £2.3m. higher than in the first half of 1976, an increase EPC explains in terms of high U.K. interest rates and the expansion of the group's North American development programme.

S. Simpson trebles to peak £1.7m.

TAILORS and clothes S. Simpson more than trebled pre-tax profit from £0.46m. to a record £1.85m. in the July 31, 1977 year on turnover £3.77m. higher at £16.57m. A final dividend of 2.5p per 25p share compared with 1.485p net last year has been declared taking the total to 3.5125p against 2.5013p. The company has close status.

W. Lawrence unchanged

Second-half taxable earnings for Walter Lawrence leaving the full-time result for the year to August 30, 1977, only marginally ahead at £1.34m. against £1.3m. total. Turnover improved by £4.32m. to £30.15m. Profits were maintained by higher volume sales and increased productivity, say the directors. The group is continuing its diversification policy. In the expectation of substantial realisations from the sale of houses at Highgate and to take advantage of falling interest rates, the directors are to make greater use of bank facilities by increasing investment in work in progress, developments and sites, the manufacture of fitted furniture and DIY trade shown to be lower at 13.5p (14.6p) and the net total dividend is lifted from 6.5p (5.3p) with a final of 4.25p.

Greenbank tops £1m. midterm

ENGINEERING and property development group Greenbank Industrial Holdings almost doubled taxable profit from £594,587 to £1,181,265 in the June 30, 1977 half year after taking in a £483,227 (£85,000) exchange gain. The interim dividend is increased from an adjusted 0.75 to 0.825p, net annual amount will be paid for 1978. Last year's total was an equivalent 1.5p.

Charterhouse Japhet Pension Fund Management

Charterhouse Japhet have been merchant bankers and advisers to medium sized companies for nearly one hundred years. Five years ago we started to manage pension funds. Now we manage 22 funds with assets in excess of £100m. We believe that our record of performance and personal service may interest your company. Why not call Christopher Taylor-Young or Barrie Johnston? Telephone 01-248 3999.

Henry Boot Interim Report 1977

The Construction activity is on budget. The Engineering activity is maintaining budget and has considerably reduced its level of loss which obtained in 1976. The Foundry activity has returned to a break-even position during the period under review. The Joinery activity is below budget. All other activities are on budget. Profit margins generally remain under increasing pressure. Whilst Group turnover in 1977 is expected to show an increase over 1976, Group profits before tax are expected to be close to the previous year. Work in the public sector is at a very low level. The private sector has not yet shown any increased confidence in the future.

Increased Profits and Borrowings substantially reduced

The following are extracts from the statement of the Chairman and Managing Director, Mr. John Delaney. It gives me pleasure to announce increased profits for the year. There has also been a substantial reduction in the Group's borrowings which were reduced by £259,857. Our freehold property at Putney has been re-valued giving rise to a surplus of £173,096 over book value of £141,904.

1977	
Capital & Reserves	£485,605
Net Assets per share	24p
Net Earnings	2.65p
Dividends per ordinary share (net)	1.8088p

Medminster Limited

Furniture Hire, Shipping and Forwarding

Glaxo expects growth rate to continue

MR. A. E. BIDE, chairman of Glaxo Holdings says that although the group may temporarily be expected to flourish its rate of growth will vary from time to time. Technology is the main-spring of the group's success, he stresses. Referring to research and development he says that in line with earlier forecasts the group's present rate of spending in this respect worldwide is about £20m. per annum. Trials of Cefuroxime the new injectable cephalosporin antibiotic from Glaxo Research continue satisfactorily and marketing is expected early in 1978. Members are told that the work at Ware (Herts.) to extend the capabilities of Allen and Hanburys Research has continued satisfactorily and the first phase of the project was concluded last July. In Glaxo Research significant capital expenditure has already been authorised to bring existing facilities up to date, but because of the impact of ever growing number of laws and regulations that affect the group's operations it will be necessary to extend some of the facilities for toxicology. Looking at trading worldwide the chairman says that overseas business in foods has always been very mixed. In Pakistan an improved baby food contributed substantially to the business, while in Argentina the foods business has been less and less rewarding in recent years. The manufacture of foods has now been discontinued in that country and it is believed this will improve the Argentina company's overall performance. In the year ended June 30, 1977 group pre-tax profit advanced from £73.64m. to £87.02m. on sales of £488,028 (£411,000). Geographically the sales were split as to U.K. £75.8m. (£63.1m.), U.K. whole-

average of TK 10.40, compared with 1,004,100 lbs at TK 6.80 a year ago. There had been no sales in London for the current season but the first 1977 season tests were due to appear in auction next week.

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BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION

World Value of the Dollar

The table below gives the latest available rates of exchange for the U.S. dollar against various currencies as on Wednesday, October 26. These exchange rates have been compiled by Bank of America NT & SA's world-wide network of branches from various sources.

units per one U.S. dollar except for U.K. sterling (and those currencies at par with sterling) which is quoted in dollars per sterling unit. These rates are asterisked.

Bank of America Eurodollar Libor as of October 27 at 11.00 a.m. 3 months 7 1/8 6 months 7 1/4

SDRI = US\$17515

Table with columns: Country, Currency, Value of D.L.R., Country, Currency, Value of D.L.R. Lists exchange rates for various countries like Afghanistan, Albania, Algeria, etc.

* U.S. dollars per sterling unit. (a) Approximate rate. (b) Official rate. (c) Jamaica dollar introduced April 26, 1977. Rate quoted is for exports, non-essential imports and tourism.

Foster Bros. off midway but picking up

ANNOUNCING A downturn in first half-1977 profits Mr. R. G. High, chairman of Foster Brothers Clothing says that he looks upon the full year as one of consolidation for the group...

Reflecting the adverse effect of the severe squeeze in personal incomes group profit before tax in the six months ended August 31, 1977 fell from £1,969m. to £1,424m.

First half turnover improved from £20,577m. to £21,477m. The chairman explains that this disappointing increase is due to poor summer weather adversely affecting sales of the main retail company and also turnover has to some extent been affected by closures of unprofitable shops.

Following the acquisition on August 31 of Discount for Beauty (a cosmetic and toiletries retail concern operating some 23 shops in the North of England and in the Midlands), the chairman says that selective expansion continues in all retail companies within the group as and when suitable opportunities arise.

Medminster begins well after record After a record year to June 30, 1977, furniture hire and shipping group Medminster has begun the

interim dividend is raised from 0.825p to 1.1p net-in

Abwood Board criticised

In the course of an animated annual general meeting yesterday, Mr. Victor Balding, a major shareholder in Abwood Machine Tools, said: "The results achieved over the last four or five years have been pretty awful."

He went on to complain about the way the company was run and the repeated refusal of the Board to agree to a reverse takeover of his own company, Balding Engineering.

Mr. Balding had been attempting to merge his company with Abwood for at least four years, but had been consistently refused. He claimed to have built up a stake of just under 15 per cent, although this was not apparent from the share registers, according to Mr. A. Peck, managing director of Abwood.

The Stock Exchange had sought clarification on exactly how much of the company Mr. Balding owned. Meanwhile, the directors of

MINING NEWS

TCL earns and pays more

BY KENNETH MARSTON, MINING EDITOR

Earnings grow at Denison

CUTTING ACROSS the trend lower earnings among U.S. American mining groups, Canada's largest uranium producer, Denison Mines, has continued the strong growth apparent in the first half and produced buoyant figures for the first three quarters of the year.

In the nine months to September 30, Denison's earnings per share were \$1.38 (29.6m.) showing a 50 per cent increase on the \$0.92 recorded in the same period of 1976. The profits come on the back of a 19 per cent increase in turnover to \$212m. (272.7m.). Denison attributes the rise to increased deliveries of uranium concentrate.

Bearing in mind the company's heavy capital spending programme, shareholders were warned that there might not be an increase in the final. In the event, however, TCL is raising its final by 15 cents to 65 cents, making a total of 85 cents for the year against 75 cents in 1975-76. TCL shares were £11 yesterday.

Falcon Mines

Rhodesia's major gold producer, Falcon Mines, has lifted its estimated net profit for the year to September 30 to \$11.3m. (£1.1m.) from \$9.1m. in 1975-76. Gold production in the past year totalled 58,578 ounces (1,822 kilograms) compared with 53,029 ounces last time.

Capital expenditure in 1976-77 amounted to \$8,297,037. The estimate for the current year is \$8,450,000, of which \$3,376,000 is for some time.

SCOTCROS MOVES INTO FRANCE

In a move which will mean that nearly 30 per cent of assets and a quarter of profits will come from outside the U.K. the wine and food packaging group, Scotcros, is to acquire control of a French packaging group.

For £10.7m. it is buying 50 per cent of the privately owned Remy Group of France which controls six companies making a range of metal and plastic bottle tops and caps. The move fulfils the chairman's statement only last June that Scotcros was actively considering a "low direct investment" within the EEC.

The acquisition will give Scotcros a strong connection with the French wine industry for which Remy makes bottle tops. Scotcros is an importer and bottler of wine from outside the EEC and has

Henry Boot declines midterm

ON TURNOVER ahead from £26.13m. to £31.48m. pre-tax profits of Henry Boot and Sons dropped to £1,173,000 to £727,000 for the first half of 1977. Margins remain under increasing pressure and while turnover is expected to improve, the full year surplus is anticipated to be in line with the £253m. for 1976.

The directors anticipate that 1977 will be a disappointing year, in that increased turnover and great efforts on the part of the management are not expected to produce higher profits. They say that this is largely due to the very poor economic climate in the U.K. and the time taken to gear up for an increased volume of work overseas.

After tax of £508,000 (£608,000) half year stated earnings fell to 8.7p (10.5p) per 50p share and the interim dividend is maintained at 2.5p net, costing £182,715. Last year's final was £225p.

Construction continues to maintain targets, state the directors, while the engineering division has reduced its level of sales obtained in 1976, but will not move into profit this year. The foundry activity has performed well and is expected to break-even in 1977, although the joinery division has borne the brunt of the recent depression in the housing market, which will result in a poor performance for the full year.

Both plant and property activities are on budget. In the public sector it is at a very low level and the private sector has not yet shown any increased confidence in the future, add the directors.

Advance for Flight Refuelling

IN THE SIX months ended June 30, 1977, profits, before tax, of Flight Refuelling expanded from £430,000 to £660,000 and the directors expect the improved trend to continue into the second half.

Turnover of the group (makers of specialised equipment for the aircraft, nuclear and electronics industries) moved up from £3.75m. to £4.98m. After tax of £230,000 (£236,000), the net profit emerged at £310,000 (£194,000).

The interim dividend is raised from 0.825p to 1.1p net-in

Advertisement for Banco Nacional de Credito Rural, S.A. U.S. \$75,000,000 Medium Term Loan. Managed by Bankers Trust International Limited, The Bank of Nova Scotia International Limited, The Nippon Credit Bank, Ltd., and provided by American Fletcher National Bank, Banco do Estado de Sao Paulo S.A., Banco Urquijo S.A., The Bank of Nova Scotia International Limited, The Bank of Tokyo, Ltd., Bankers Trust Company, The Daiwa Bank Ltd., First Bank, The Nippon Credit Bank, Ltd., UBAF Arab American Bank, Overseas Union Bank Ltd., United Virginia Bank, The Yasuda Trust and Banking Company Limited, Bankers Trust Company.

Advertisement for Transvaal Consolidated Land and Exploration Company, Limited (T.C.L.). (Incorporated in the Republic of South Africa). PROFIT ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 30th SEPTEMBER 1977 AND DECLARATION OF FINAL DIVIDEND. Financial Results: The audited consolidated results of T.C.L. and its subsidiaries for the year ended 30th September, 1977 are given below together with the results for the previous financial year. Turnover: 1 117 665 (R'000) vs 73 794 (R'000). Consolidated profit before taxation: 48 980 (R'000) vs 28 989 (R'000). Taxation: 18 135 (R'000) vs 10 212 (R'000). Consolidated profit after taxation: 30 794 (R'000) vs 16 753 (R'000). Less: Profit attributable to outside shareholders in subsidiary companies: 6 939 (R'000) vs 3 369 (R'000). Interest of members of T.C.L.: R23 855 (R'000) vs R13 389 (R'000). Shares in issue: 7 304 538. Earnings per share: 326.5c. Dividends per share: 95c. Declaration of Dividend No. 76: Notice is hereby given that Dividend No. 76 of 65 cents per share has been declared in respect of the year ended 30th September, 1977 payable to members registered in the books of the company at the close of business on 25th November, 1977 and to persons presenting coupon No. 76 detached from bearer share warrants. The dividends on share warrants to bearer will be paid in terms of a notice to be published later by the company's secretaries in London. The rate of exchange at which the dividend will be converted into United Kingdom currency for payment of the dividend from the offices of the company's secretaries in London will be the telegraphic rate of exchange between Johannesburg and London prevailing on the first business day after 26th November, 1977 on which foreign exchange dealings are transacted. The register of members will be closed from 26th November to 4th December, 1977, inclusive, and dividend warrants will be posted to shareholders on or about 31st January, 1978. Where applicable non-resident shareholders' tax of 15 per cent will be deducted from the dividend. The full conditions of payment of this dividend may be inspected at or obtained from the Johannesburg or the United Kingdom offices of the company. By order of the Board: A. C. PETERSEN (Chairman), A. M. ROSHOLT. 27th October, 1977. Registered Offices: 63, Fox Street, Johannesburg, 2001. Declaration of Dividend No. 76: Notice is hereby given that Dividend No. 76 of 65 cents per share has been declared in respect of the year ended 30th September, 1977 payable to members registered in the books of the company at the close of business on 25th November, 1977 and to persons presenting coupon No. 76 detached from bearer share warrants. The dividends on share warrants to bearer will be paid in terms of a notice to be published later by the company's secretaries in London. The rate of exchange at which the dividend will be converted into United Kingdom currency for payment of the dividend from the offices of the company's secretaries in London will be the telegraphic rate of exchange between Johannesburg and London prevailing on the first business day after 26th November, 1977 on which foreign exchange dealings are transacted. The register of members will be closed from 26th November to 4th December, 1977, inclusive, and dividend warrants will be posted to shareholders on or about 31st January, 1978. Where applicable non-resident shareholders' tax of 15 per cent will be deducted from the dividend. The full conditions of payment of this dividend may be inspected at or obtained from the Johannesburg or the United Kingdom offices of the company. By order of the Board: A. C. PETERSEN (Chairman), A. M. ROSHOLT. 27th October, 1977. Transfer Secretaries: Rand Registrars Limited, Devonshire House, 49, Jorissen Street, Braamfontein, Johannesburg 2001, South Africa, P.O. Box 5179, Braamfontein 2017, South Africa. 27th October, 1977.

BIDS AND DEALS

Bath & Fairclough fail to agree terms

Merger talks between Bath and Fairclough have broken down, it was announced yesterday. The companies had been unable to reach agreement on the terms of the merger of the two companies. After the announcement the shares of Bath and Fairclough fell 10p to 75p and 10p to 75p respectively. The differences first appeared yesterday when the two parties, after with both firms of accountants, Armitage and Norton Fairclough and Pear Marwick Bath and Portland, met at Samuel. It was agreed that neither should attend another meeting until the valuation work in progress of both parties.

comment

The Bath and Portland and Fairclough merger, which was expected to be completed by the end of the year, has now been abandoned. The merger would have been a £1.5m. deal, while Bath and Fairclough's borrowings (which in net) have been rising as a result of its heavy investment in Iran. Halfway set charges at Bath and Portland accounted for 35 per cent of trading profit. The group has been tendering for further contracts in Iran. The merger was expected to bring in new profits in the current year. After the failure of the merger it is now likely that Bath and Portland will seek joint arrangements with other contractors before tendering for large projects overseas.

DOVER SPELLS OUT ACCEPTANCE

The present size of Dover Engineering limits its ability to move forward as a major opportunity arises, according to its Board. This is the reason for recommending the offer for company, from Newman

Allied drops Peachey bid

Allied Ludoo Properties yesterday abandoned its 55p share takeover bid for Peachey Property Corporation. Allied's offer has been well below the market price of Peachey's shares for several weeks. And last week's defence document from Peachey, revealing net assets per share of 131p, quashed any residual hopes of the bid's success. But Allied, and its financial advisers Hill Samuel, have not bowed out gracefully. In a statement issued last night, Allied stated that the bid would lapse as Peachey was unwilling to give further information on qualifications in its valuers' letters. The valuations, by surveyors Healey and Baker and Goddard

Derritron out on probe news

Referral to the Monopolies Commission has put an end to the Derritron bid for British Electroote Controls, leaving the field open for SRE, the other bidder, to take BEC private. Following yesterday's announcement by Mr. Roy Hattersley that he was referring Derritron's proposal to the Monopolies Commission, the Seion Trust, acting for Derritron, stated that its offer has now lapsed. Calling the Department of Prices and Consumer Protection's intervention "unfortunate," a spokesman for Derritron claimed that it had cost shareholders an extra 3p in cash.

On October 20 Derritron had said it was "seriously considering increasing its cash alternative offer." Yesterday it claimed that underwriting for the new offer, for 33p in cash, had been completed and shareholders would have been informed next week. Now this new offer would not be proceeded with and the existing 30p offer has lapsed.

Derritron's reaction is somewhat surprising in view of the fact that it was widely known that a merger with BEC would create a company which could actually lose orders for Britain because it would reduce the number of British competitors in the field to one.

BUILD-UP IN NOYAPARA

Yet another tea plantation company is seeing movements amongst its share stakes. This time it is Noyapara Tea Holdings where Mr. Razih Ali and his associates have built up their holdings to 27.37 per cent, from 18.2 per cent at the year end. Noyapara owns 380 hectares of tea plantations in East Bengal, and Bangladesh. During 1976 pre-tax profits jumped from £11,000 to £111,000 as a result of nearly doubled prices for a harvest virtually the same as for 1975. Noyapara has close links with international tea traders, James Finlay, which holds 11.5 per cent of Noyapara's shares and acts as the company's secretaries. A further 8 per cent of the shares are held by the British-Borneo Petroleum Syndicate.

CONTROL SECS.

Ashbourne Investments has sold nearly half its stake in Control Securities where the Swiss investment group, Labofund, is to gain control under a share issue scheme. Ashbourne now owns 175,000 shares in Control (5.3 per cent).

Anzani cuts borrowings by sale

By John Brennan, Property Correspondent. British Steel's pension fund has bought a third of British Anzani's 92-acre industrial estate at Aylesford, Kent, for £3m, cash.

The fund will take over Anzani's 900,000 square feet of factories and warehouses on the estate. Industrial properties currently producing an annual rent of £520,000. Anzani retains the undeveloped two-thirds of the freehold land on the estate, 40 acres of which have been zoned for industrial building.

This sale, and another property disposal in the pipeline (that is expected to raise around another £1m), makes a substantial dent in Anzani's borrowings. In its last accounts, to the end of March 1976, Anzani showed bank loans and overdrafts of more than £21m. And in the half year to September 30, 1976, interest charges forced the group £709,000 into the red before tax.

Vavasseur to reorganise and acquire Mills and Allen

The Vavasseur Group, the main concern which was hard-pressed to have its capital re-structured again and is also to bid for Mills and Allen Industrial, the advertising and agency broking company of which Vavasseur already owns 80.7 per cent. The group's arrangements go back to the bank's lifeline bid, from which Vavasseur has enjoyed "on and off" borrowing facilities for four years, will replace the existing facilities by new facilities, repayable two to five years. At the time of the crisis, Vavasseur had £20m on loan from the life-line, the combined Vavasseur and Mills and Allen companies have not borrowed of the majority of which is the life-line. Under the reorganisation proposals, a holding of 100 existing shares to Vavasseur will become one of 11 Ordinary

shares of 50p in the reorganised Vavasseur Group. Terms are also proposed for the other capital and warrants. The revamping will be the third reconstruction for the Vavasseur business in the last four years.

M & A Ordinary holders other than Vavasseur, who offered one new Ordinary share of the new Vavasseur for each of their existing Ordinary shares in M & A. On this basis, 1,794,000 of the New Ordinary shares of Vavasseur (21.9 per cent) will be attributable to the present M & A minority holders.

Britannia Arrow Holdings, the former Slater Walker Securities, will have 22.7 per cent of the capital of the proposed combined new group, assuming full acceptance of the offer, while the Hambros Group will have 7.8 per cent. London Indemnity (now controlled by Prudential Assurance) 6.3 per cent; and other institutions 13 per cent. Public shareholders numbering some 12,000, would own the other 31 per cent.

Mr. Clive Hollick, the co-executive director of Hambros Bank who has been managing director of Vavasseur during the period since the second banking crisis struck, and who will hold that role in the revised group, said last night that Britannia Arrow wanted to retain its holding as an investment. Of the prospect for the new combined group, he remarked: "We do see this as the end of the rescue operation and with the present profit base we are hopefully starting a new chapter."

In the year to June 30, 1977, Vavasseur made a pre-tax profit of £2.6m, against one of £1.2m, before extraordinary items of £240,000, compared with £146,000. The extraordinary items included provisions of £207,000 against liabilities arising in respect of subsidiaries in liquidation and provisions of £185,000 against the fall in value of properties held as security against loans made by the banking subsidiary.

M and A made a pre-tax profit of £2.5m, against £1.1m, in 1976-1977, before tax and before extraordinary items of £72,000, compared with £453,000. No dividend is being paid by either company for 1976-77.

Sir Gordon Newton, who is co-executive deputy chairman of M and A and who was chairman of Vavasseur until 1974, is to join the Board of the new company in a non-executive capacity. He will Miss Sheila Black, now a non-executive M and A director.

BANK RETURN

BANKING DEPARTMENT	
LIABILITIES	£
Capital	14,232,000
Public Deposits	112,217
Special Deposits	1,184,232,000
Reserves	480,477,828
Other	118,115,600
Assets	2,263,736,000
Govt. Securities	1,487,784,100
Other	775,951,900
LIABILITIES	£
Notes Issued	7,200,000,000
In Circulation	2,287,480,742
In Bank's Depo.	12,638,250
Other	2,764,981
Assets	11,078,100
Govt. Secs.	2,287,480,742
Other Securities	890,619,258
	25,000,000

Hastings and Thanet Building Society

The following interest rates will apply from 1st November 1977.

	Net	Gross Equivalent at 3.4% rate income tax
Share Accounts (Fully Paid Shares)	6.00%	9.09%
Savings Share Units (Third Issue)	7.25%	10.98%
Deposit Accounts	5.75%	8.71%
1 1/2 Year Term Share Units (1st Issue)	6.50%	9.85%
2 Year Term Share Units (1st Issue)	7.00%	10.61%
One-Eighteen Share Units	6.00%	Plus progressive bonus

The rates of interest on all other investment accounts (including closed issues) will be reduced by 0.70% p.a. and on accounts subject to basic rate tax by 0.75% p.a. from 1st November 1977. Maximum individual holding with the Society is now £15,000 (£30,000 in a joint account).

Hastings and Thanet Building Society. Assets exceed £500,000,000. Member of The Building Societies Association. Administrative Centre: Thrift House, Bexhill-on-Sea.

Borough of Blackburn BANKING ARRANGEMENTS

The Council invites quotations from banking firms interested in becoming the Council's Bankers, from 1st April 1978. Particulars of the Borough, and of the approximate volume of business to be transacted may be obtained from the Director of Administration and Legal Services, Town Hall, Blackburn, Lancashire BB1 7DY. All enquiries will be dealt with in strict confidence.

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The global strength of Glaxo

	1977		1976	
	£ millions			
Glaxo Group results Year ended 30th June				
Group external sales	488.0		411.1	
Profit before taxation	87.0		73.9	
Profit after taxation	43.1		36.1	
Earnings per ordinary share	49.3p		41.1p	
Dividend per ordinary share	10.21p		9.141p	

Now see what's behind it-

Once again Glaxo has reported record results. In the year to 30th June, 1977 Group external sales rose by £77 million to £488 million. Sales overseas were £299 million, an increase of £43 million, and U.K. sales, excluding wholesaling, were up £13 million to £76 million. Goods exported from the U.K. totalled £112 million, an increase of £18 million. Profit before tax was £13 million higher at £87 million and earnings per share a record 49.3p against 41.1p a year ago.

The figures tell their own story and demonstrate the global strength of Glaxo.

But Glaxo's strength can be measured in other ways too - in the success of its internationally acknowledged pharmaceutical, food and surgical products, in the research that discovers them, and in the energy that translates those ideas into reality.

Take, for example, our cephalosporin antibiotics; our anti-asthma products and topical steroids for skin treatments. Take also our new anti-hypertensive drug, with its entirely novel mode of action, and our new injectable

cephalosporin antibiotic which we expect to market early next year, and you have some measure of Glaxo's capacity for innovation.

Apart from such ethical pharmaceuticals there are other famous products that contribute to the strength of Glaxo, products like the recently launched *Osterfed* for babies, *Complan*, the complete food drink, the well-established proprietary pharmaceuticals, *Adecolin*, *Minalder* and *Holiborange* and our range of ethical products for the veterinary world where we continue to be the U.K. market leader.

In the past ten years alone Glaxo has developed no less than twelve important new products and the search for new ideas goes on. Currently we're investing £20 million a year world-wide on Research and Development.

But ideas alone are not enough. Glaxo is strong in manufacture, in marketing and in distribution. In the U.K. and in 41 countries overseas over 30,000 Glaxo people are engaged in providing the products needed everywhere in the fight for better health.

From any angle, Glaxo's record of achievement is impressive. But what lies ahead? This is what Austin E. Bide, Glaxo's Chairman and Chief Executive, has to say about the Group's future - "The key to success for Glaxo is the technology that we export in the products we invent to satisfy people's needs wherever they arise. On this basis Glaxo has flourished and may reasonably hope to continue to do so."

If you would like a copy of the latest Annual Report of Glaxo Holdings Ltd. and the Chairman's Statement to Stockholders, just send the coupon.

The producer names in italics mentioned above are REGISTERED TRADEMARKS.

The Secretary, Glaxo Holdings Ltd., Clarges House, 6/12 Clarges Street, London W1Y 8DU. Please send me a copy of your Annual Report

Name _____
Address _____

Glaxo No.1 in British Pharmaceuticals

INTERNATIONAL FINANCIAL AND COMPANY NEWS

OECD spotlight on capital markets

BY MARY CAMPBELL AND FRANCIS GHILLES

THE LATEST ISSUE of the new quarterly Financial Market Trends... published by the Organisation for Economic Co-operation and Development...

issuing activity in Swiss Francs is also lower than last year... but has recovered considerably since the second quarter...

AMERICAN NEWS

Overseas profits lift Ford Motor

BY JOHN WYLES

BOOMING OVERSEAS profits have carried Ford Motor Company to record third quarter net profits of \$366.5m.

The cutbacks are being implemented by the Electric Boat Company's new general manager...

Advance at Lockheed

IN THE third quarter of the year Lockheed Corporation net earnings of \$21.4m...

Gen. Dynamics lay-offs row

By Our Own Correspondent NEW YORK, Oct. 27. GENERAL DYNAMICS Corporation has run into sharp political criticism...

Start-up costs will cut profits at SEL

BY GUY HAWTIN

LAUNCH COSTS for newly-developed products have hit profit performance at Standard Elektrik Lorenz (SEL) this year...

FRANKFURT, Oct. 27.

Otto Versand sees growth

OTTO VERSAND, Europe's second largest mail order group, this year expects sales to exceed DM30m...

Major Wall Street merger

BY STEWART FLEMING

THE SHAKE OUT in the U.S. securities industry continued this morning with the announcement...

Major Wall Street merger

Earlier this month plans for the largest merger in Wall Street history were announced when two of the best-known houses...

SANDVIK U.S. \$35,000,000 Sandvik Aktiebolag (Incorporated in Sweden with limited liability under the Companies Ordinance, 1848).

Firmer tone in dollar sector

BY MARY CAMPBELL

THE DOLLAR sector was cheered yesterday by a further fall in short-term Eurodollar rates...

Major Wall Street merger

Earlier this month plans for the largest merger in Wall Street history were announced when two of the best-known houses...

Table with columns: TRADING, MID-YEAR INDICATIONS, BONDTRADE INDEX, PHILIP HILL INVESTMENT TRUST LIMITED Interim Statement.

COMISION DE VALORES CORPORACION FINANCIERA NACIONAL US \$15,000,000 SEVEN YEAR LOAN

Table with columns: REVENUE, Gross Revenue, Franked, Unfranked, Net earnings, Earnings per share.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Beating the trend

BY WILLIAM DULLFORCE IN STOCKHOLM



Mr. Hamish Melville (left), director of Hambros Bank, Mr. Sven Hafvarsson (centre), finance director of Sandvik AB, and Mr. David Pntter, managing director of Credit Suisse, signing the bond issue in London yesterday.

OVER THE LAST few months the small township of Sandvik in Central Sweden, where G. F. Sandvik first adapted the open process to the production of steel on an industrial scale, has become something of a magnet for Swedish business and financial journalists. They are drawn not by the well-known story of the company's rise but by the desire to find out how Sandvik has managed to defy the recession which has hit Swedish industrial profits. In particular, put all the steel companies into the...

each day with a blade made from Sandvik Steel. Some 40 per cent of the flapper valves used in compressors come from Sandvik and about a quarter of the world's piston-ring steel. The company also specialises in seamless tubes with a high corrosion resistance for the chemical and nuclear power industries. Steel production will not be expanded but the group management calculates that steel will continue to contribute profits once normal business conditions return. The steel division is also an important supplier for the newly named saws and tools division, which currently contributes about 17 per cent of group turnover and is the major area for expansion after the carbides.

Sandvik holds stocks and provides an all-round service in 35 countries. It offers customers direct contact with its research organisation and will develop products and systems tailored to their needs. Most of this service, apart from some major training schemes, is included in the price of the products. As market leader in so many countries Sandvik can set its prices to cover the cost of this service. Its executives argue that the price of its tools and systems must be gauged, not against their manufacturing costs, but against their effect on customers' production and financial results. Another strength factor is Sandvik's financial control, in particular its cost calculation methods. Credit for these is given to Mr. Carl-Eric Björkregren, the vice-president in charge of finance. Sandvik calculates and monitors the costs for each product and is ruthless in discarding those which cannot cover their costs.

Decline at Hitachi in first half

By Douglas Ramsey

TOKYO, Oct. 27. HITACHI TO-DAY announced a decline in earnings for the first half of its fiscal year, despite a 5 per cent rise in sales on the previous half, but the company says as evidence that earnings will improve in the October-March half. Unconsolidated net income for the six months to September 30 was reported at \$55.4m, marginally lower than the year-ago level of \$60.2m (both figures at Y253 to the U.S. dollar). The 1 per cent decline in net income, however, is based on yen earnings—in dollar terms, Hitachi's profits would have been considerably higher in this last term due to an approximate 15 per cent appreciation of the yen against the dollar in the last year.

AGC surges to peak earnings

BY JAMES FORTH SYDNEY, Oct. 27.

AUSTRALIAN GUARANTEE Corporation, Australia's largest finance company and a partly-owned subsidiary of the Bank of New South Wales, boosted earnings: 32.5 per cent from \$A28.2m to a record \$A37.4m. The result augurs well for the Bank of NSW, which is expected soon to report peak earnings of close to \$A55m, of which AGC would account for about \$A15m. AGC has held its dividend at 7.5 cents, payable on shares created during the year by two cash issues on a one-for-two basis, but not on shares created by a two-for-five cash issue made in September this year. The effective lift in total payout, through a one-for-six rights issue, was 21.3 per cent. The issues were made to boost the group's gearing to enable it to expand. Gross receivables rose 24 per cent to \$A23.3m, although the directors are concerned about a subdued level of demand in the second half which held the growth rate to a slower rate than the previous year. The strongest growth area was in leasing and there was also a significant increase in dealer wholesaling, hire purchase and personal loan receivables.

Poclaim first half loss

PARIS, Oct. 27.

POCLAIN S.A., a major European producer of mechanical excavators and a unit of the Teaneck group of the U.S. reports a first half loss of Frs.146m against a previous net profit of Frs.27.3m. Group loss was Frs.186m, reports AP-DJ. The poor results were partly due to the depressed economic situation which had caused a 8 per cent decline in Poclaim's sales during the first half. Poclaim said the results for the second half of 1977 should show a marked improvement as its restructuring efforts begin to take effect.

Petersville rights issue

PETERSVILLE AUSTRALIA, the major food group, plans to raise \$A4.9m from shareholders through a one-for-six rights issue, writes James Forth in Sydney.

The new shares will be issued at 65 cents, compared with today's closing price of 91 cents. The funds will be used for new plant and buildings to help finance the recent takeover of Berrima District Meats and to repay short-term loans. The issue terms were disclosed as the company's annual meeting today by the chairman, Sir Charles McGrath. He told the meeting that the "timing, term and source of the new loans will be determined by circumstances, as the Board views with concern present interest rates in Australia relative to those ruling in other countries." Sir Charles also said that Petersville's profit for the first quarter of the current year was ahead of estimates, and the Board expected that a full year would be one of progress. Shareholders were told that Petersville had complained to the Foreign Investment Review Board about a proposal by the Anglo-Dutch group Unilever to buy control of the ice cream divisions of the South Australian group Amsoil. "Although the Board recognises that in many instances foreign ownership and control of Australian industry has brought significant benefits to Australia, it is our firm view that in the food industry in particular it has gone far enough," said Sir Charles.

BP/Rousselot bid

THE CONTROVERSY surrounding the future of Rousselot SA, a French producer of Glatins, animal proteins and chemicals, took another twist on Thursday with the announcement by the president of Societe Francaise des Petroles BP, that his company's bid for control of Rousselot was still on, reports AP-DJ.

Jean Chenevier, who heads British Petroleum's French refining unit, took newsmen that as far as Petrol BP is concerned they had made their bid and they are legally bound to maintain it. The chances of Petrol BP succeeding with its bid for the acquisition of 66.7 per cent of Rousselot's capital appeared to have faded following an identical counter-bid by Atchimie, a joint unit of the State-controlled oil group Elf-Aquitaine and Cie Francaise des Petroles (CFP). The French Government is understood to want to keep Rousselot French. Chenevier stated, however, that a French Government veto on the bid "would be contrary to European Community (EEC) agreements" on the free movement of capital.

Slump at Ford Australia

REFLECTING THE depressed motor vehicles market, earnings of Ford Australia slumped from \$A9.1m to only \$A2.4m in the first half of 1977. Moreover,...

St. Gobain surge ahead by 54%

SAINTE-GOBAIN / Font-a-Mousson set consolidated earnings were Frs.424m for the first half of 1977, an increase of 54 per cent.

U.S. QUARTERLIES

Table with columns for company names (e.g., Borden, Johnson & Johnson, Warner-Lambert Co., Phillips Petroleum, Moore McCormack Res., Getty Oil, Norton Simon, Anheuser-Busch, Stauffer Chemical Co., Miles Laboratories, Bethlehem Steel Corp.) and rows for financial metrics like Revenue, Net profits, and Net per share for various periods (Third Quarter, First Quarter, etc.).

Advertisement for Hambros Bank Limited, featuring the bank's logo, name, and contact information for its Representative Office for Canada, including address and telephone numbers.

Large advertisement for the National Electricity Board of the States of Malaya-8th Power Project. It features a title, a loan amount of US\$30,000,000, and a list of participating banks and financial institutions, including The Tokai Bank Limited, Morgan Grenfell & Co. Limited, Citicorp International Group, and others.

Peace and quiet and cult of personality in Togo

By a Special Correspondent

PRESIDENT Gnassingbe Eyadema of Togo has taken a strong grip on power and turned his small West African State into a relative haven of peace and tranquillity during the two years since he seized power. The bitter political jostling and regional rivalry that marked the country's early years of independence from France have largely quietened down.

There has been a strong drive for national unity, fostered by a deliberate personality cult built up around the President and by his formation in 1969 of a single political rally, the Togoese People's Rally (RPT), the sole political party.

Gen. Eyadema's is a ubiquitous presence in Togo, a State wedged between troubled Ghana, to the west, and turbulent Benin, to the east. His face peers from billboards, his name is incessantly repeated on the State radio as he exhorts the peasants in greater efforts, or is effusively thanked for his service to the nation.

Massed troupes of political singers and dancers, in outfits emblazoned with his portrait, are present in every village and at international functions, chanting his praises.

The visitor to Togo may be struck by both an abundance of goods in Lomé, the capital, and by the friendliness and general education of the Togoese, of whom 85 per cent have had some form of schooling, according to 1973 figures.

Phosphates have given Togo a substantial base for economic expansion, but agriculture is not healthy. There may appear an atmosphere of political liberalism in the capital, but it tends to mask some real provincial problems. Repressive measures are apparently still applied, however gently.

Gen. Eyadema assumed power

in 1967, having engineered coups which unseated his two predecessors. The worst problem he inherited was the rivalry between the main ethnic groups in the North and South, which had been aggravated by a marked preference of the former colonial rulers for the South. Gen. Eyadema largely defused this by ensuring equal participation of both regions in national life and by favouring the North with investments. His creation of the RPT has undoubtedly contributed significantly to the unification of the two regions.

From a position of weakness, Gen. Eyadema has increased his power considerably. His favourite tactic, employed for the fourth time last November, is a threat to resign, invariably followed by well-rehearsed mass demonstrations demanding his reconsideration.

An active and moderate member of the Organisation of African Unity, Togo is a vigorous advocate of international co-operation, notably in the economic sphere. With a small population of only 2.1m, and this a small domestic market, it was at the forefront of efforts to create in 1975 the 16-State Economic Community of West African States (ECOWAS), which intends to eliminate quotas and tariff barriers between members.

Dominant tribe

Togo's old border dispute with Ghana appears to be receding. The issue originates from the division of Togo, previously a German colony, into French and British administrative spheres after World War One. This carved the Ewe, the dominant tribe in the south of French Togoland, into two sections, and



ance in Togo. One of Gen. Eyadema's most effective moves—at least politically—was his nationalisation of Africa's third largest phosphates producer, the Compagnie togolaise des mines du Bénin (CTMB), in 1974. Increasingly dissatisfied with the level of revenues from taxes on the industry and from the minority state shareholding permitted under a pre-independence concession agreement, President Eyadema announced a 51 per cent Government participation in CTMB in January 1974.

Two weeks later, an aircraft flying him to the North crashed. Gen. Eyadema survived, accused of CTMB sabotage, and declared an immediate full nationalisation of the company. That year saw the first budget surplus since independence in 1960. The crash site has become the object of an annual national pilgrimage.

Staple food imports

Togo's agricultural sector is in a poor state. Over 80 per cent of the population live in the countryside but they are far from exploiting all the cultivable land, necessitating substantial staple food imports. General Eyadema has optimistically pledged self-sufficiency within five years.

The current development plan assumed that phosphate revenues would remain unchanged from the unusually high prices achieved in 1974 and will probably require revision in view of the lower phosphates prices now ruling.

But while phosphates and the political stability under President Eyadema are valuable economic assets, long-term progress will depend considerably on the Government's ability to boost agricultural output.

Republic National Bank of New York

Consolidated Statement of Condition

SEPTEMBER 30

	1977	1976
ASSETS		
Cash and due from banks	\$ 97,658,523	\$ 65,915,166
Interest bearing deposits with banks	283,826,882	374,693,824
Precious metals	80,823,661	22,816,317
Investment securities:		
U.S. Government obligations	155,505,102	90,384,867
Obligations of U.S. Government agencies	48,053,481	56,634,115
Obligations of states and political subdivisions	82,625,318	103,193,202
Other	186,508,765	69,041,056
Total investment securities	472,692,666	319,252,240
Federal funds sold	65,000,000	37,000,000
Loans, net of unearned income	1,130,406,104	794,598,566
Less allowance for possible loan losses	(18,715,531)	(11,751,941)
	1,111,690,573	782,846,625
Customers' liability under acceptances	86,260,770	86,944,431
Bank premises and equipment	15,924,684	13,699,671
Accrued interest receivable	40,208,784	38,580,980
Other assets	47,551,341	39,132,117
Total assets	\$2,301,637,884	\$1,780,882,401
LIABILITIES		
Deposits	\$1,858,899,900	\$1,453,583,322
Federal funds purchased and securities sold under agreement to repurchase	25,875,000	10,000,000
Other liabilities for borrowed money	2,381,625	3,372,614
Acceptances outstanding	87,349,477	87,423,031
Accrued interest payable	90,293,080	77,838,994
Other liabilities	20,396,422	13,308,304
6 1/4% - 8% Notes	808,000	808,000
STOCKHOLDERS' EQUITY		
Common stock	25,000,000	21,482,080
Surplus	78,146,591	45,050,511
Surplus representing convertible notes obligation assumed by parent corporation	12,490,000	12,604,000
Undivided profits	70,007,789	55,411,545
Total stockholders' equity	185,644,380	134,548,136
Total liabilities and stockholders' equity	\$2,301,637,884	\$1,780,882,401
Letters of credit outstanding	\$ 115,758,917	\$ 61,484,103

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 Total Assets: U.S. \$ 2,301,637,884
 (As of June 30, 1977)



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FINANCIAL TIMES SURVEY

Friday October 28 1977

Austrian Industry

Austrian industry has enjoyed seven good years while Europe has been in recession. But as this survey by our Vienna correspondent PAUL LENDVAI shows, past policies of expansion have led to economic stress requiring austerity measures which could unbalance stable labour relations.

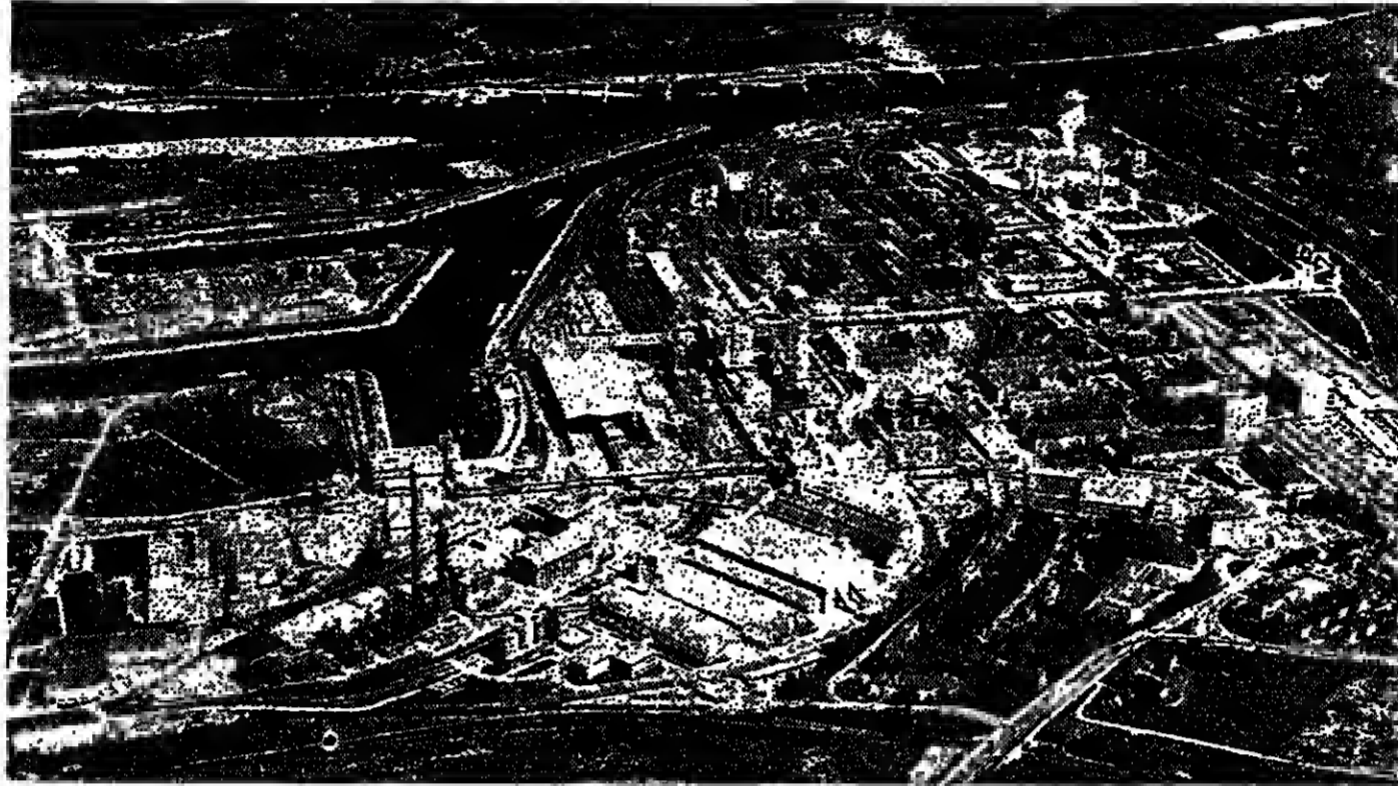
Clouds on the horizon

URING THE past few months economic climate in Austria changed profoundly: it is generally agreed that the end of all-out growth, coupled with a rapid rise in the standard of living, is over. Faced with all-time peak in external and budget deficits, the Socialist Government has had to introduce a spate of austerity measures to dampen consumption imports on the one hand and to increase budgetary income by some Sch.14.5bn. (about £500m.). After having got up with the more liberal West European countries, Austria now has to find and guarantee its own resources. This was the key message in the speech of the Minister Dr. Hans Joch, when earlier this month he presented the federal budget for 1978 to the Austrian Parliament.

to have weathered the international economic recession better even than neighbouring West Germany and Switzerland. Chancellor Bruno Kreisky told parliament this month that Austria's economy between 1973 and 1977 was growing 5 per cent, faster than that of Germany and 17 per cent, faster than in Switzerland. Employment was also rising by 5 per cent, while it contracted by 6 per cent, in Germany and by 12 per cent, in Switzerland.

The jump in net budget deficit (that is excluding debt redemption) from Sch.7bn. to Sch.34bn. between 1976 and 1977 was necessary to maintain full employment and to pump money into the economy. Similar arguments are used by Government spokesmen with regard to the massive external borrowing in 1974-76.

Opposition spokesmen and independent economists point out, however, that the Government's growth strategy had been based on the assumption that the recession in 1975 would be followed by a sustained upswing of the international economy, primarily in West Germany, Austria's single most important economic partner. These hopes have not been borne out by subsequent developments. Austria has now been hit both by lack of external demand and by the repercussions of the policy of all-out expansion in the form of a massive current account deficit and a growing drain on its foreign exchange reserves. As a result of public spending sprees and



Aerial view of Chemiefabrik Linz AG.

a faster rise in unit labour costs than in Germany and Switzerland. Austrian industry's competitive position abroad has deteriorated. As a result of the deficit-spending policy of the past, the net budget deficit this year will reach 4.2 per cent, of GNP. Even if (as hoped by the Finance Minister), the deficit dropped to 2.2 per cent, next

year, it would still be well over the 1.5 per cent average recorded in the boom cycle of 1968-75. The visible trade deficit is also causing concern. In terms of GNP, it has risen from an average of 3.4 per cent, in the 1950's and 1960s to over 7 per cent, last year. Meanwhile, tourism is no longer able to offset it, and the deficit on current account this year will jump

to Sch.34bn. from last year's all-time peak of Sch.16bn. (after allowing for "leads and lags"). Meanwhile, the latest forecast of the respected Institute for Economic Research tends to confirm the opinion of the pessimists. After a growth of 4 per cent, this year, the economy in 1978 will only expand by 1.5 per cent. This means that, as a re-

sult of the balance-of-payments oriented squeeze measures, economic growth will for the first time be more sluggish than the probable average growth of 2.5 per cent, predicted for the OECD countries. It is now expected that gross investment in real terms will be up only by 1.5 per cent, against 6.5 per cent, this year. Private consumption, the main

prop of expansion, will also drop from 6.5 per cent to 2 per cent. This is of course partly because, in anticipation of the rise in value added tax from 18 to 20 per cent, on cars and a wide range of consumer goods, there is a veritable explosion of consumer expenditure; this is likely to lead to a reduction in the ratio of savings from 13.5 per cent, of disposable personal income last year to 11.7 per cent, this year.

Crux

Thus the crux of the problem is that Chancellor Kreisky's Government has to introduce austerity measures at a time when it should be stepping on the accelerator rather than on the brake. How to combine the maintenance of full employment with a restrictive policy aimed at restoring an equilibrium in external payments? In the opinion of Dr. Hans Joch, President of the Federation of Austrian Industrialists, Austria should take Switzerland as an example and embark on a policy of massive retrenchment in social expenditure and above all should opt for a pause in real wages.

According to Dr. Joch, competitiveness of Austrian industry (and, in the final analysis, even job security) depend on what would be basically a pay freeze, or in the short-run even a slight reduction of real earnings. The structural weaknesses of Austrian industry, which since 1950 has increased its output five-fold, have become more pronounced. But industry has always been hampered by a disproportionately large sector of basic industries and material-intensive products. Furthermore it has been pointed out in a recent study by Dr. Helmut Kramer, deputy director of

—CONTINUED ON NEXT PAGE

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FOREIGN EXCHANGES

Oct. 16	Bank Rates %	Market Rates	
		Day's Spread	Close
New York..	6	2.0490-2.0585	2.0550-2.0560
Montreal...	8 1/2	2.1100-2.1210	2.1150-2.1160
Amst'rdam	4 1/2	5.41-5.46	5.412-5.423
Brussels....	6	79.80-80.00	79.45-78.85
Copenh'gen	7 1/2	12.27-12.55	12.27-12.28
Frankfurt..	5 1/2	5.25-5.29	5.26-5.27
Lisbon.....	6 1/2	54.25-54.75	54.55-54.55
Madrid.....	7	121.05-121.55	121.50-121.50
Milan.....	6	1,588-1,592	1,587-1,588
Oslo.....	5	11.25-11.52	11.28-11.27
Paris.....	8	8.89-8.95	8.89-8.90 1/2
Stockholm..	6	8.88-8.99	8.96-8.97
Tokyo.....	7 1/2	818-825	822-824
Vienna.....	8	57.10-57.60	57.20-57.40
Zurich.....	5 1/2	5.42 1/2-5.46 1/2	5.45-5.44

† Basic discount. † Rates given are for convertible francs; closing financial franc 82.15-82.35.

The above exchange rates are reprinted from the Financial Times for when - 10 October 1954, 1962, 1966, 1971 or 1973

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Clouds

CONTINUED FROM PREVIOUS PAGE

the Institute for Economic Research, that Austria has attained about 80 per cent of the per head GNP of nine European countries of comparable size (Belgium, Netherlands, Denmark, Sweden, Norway, Finland, Ireland, Switzerland and Austria). But in terms of exports of goods (not of services) per head Austria accounts only for 58 per cent of the average figure.

The relatively weak export orientation of Austrian industry is explained by a variety of factors: its emergence on the basis of domestic raw materials, the long period of high tariff protection, the loss of traditional markets after the collapse of the Austro-Hungarian monarchy and the economic difficulties in the inter-war period. The rapidly growing fuel bill and the repercussions

Restrictions

It is generally agreed that import restrictions and protectionist practices would not really help. What is needed is investment in large-scale innovation, research and development as a basic condition for an overdue shift to high-grade products. A radical improvement of the system of innovation clearly depends on the Government, since this small land-locked country does not possess sufficiently large concerns to be able to carry out and finance long-term costly research projects. Despite what appears to be the end of the fat years, Austria

still enjoys labour peace and political stability, but it is no accident that the 7.5m. Austrians have been living beyond their means.

The recent flurry of speculation against the schilling, hitherto one of the hardest currencies of the world, was a telling sign that the massive external deficit begins to cast a shadow over the country's reputation as a full-fledged member of the European hard-currency club.

The Government will have to take further unpopular measures in the not too distant future if it wants to achieve a real turnaround with regard to the external and budget deficits. These in turn will subject the patience and discipline of the unions to severe tests in the months ahead.

Measures needed to save the schilling

ON THE eve of local elections in the province of Burgenland, a mass circulation Viennese daily, "Kurier," carried a front page report at the end of September that once the poll was over the schilling would be devalued by 5 per cent. The rumours were immediately and firmly denied by Chancellor Kreisky and the National Bank. Yet the whispering campaign and alarming rise of the balance of payments deficit earlier this year have sufficed to enzen-

a flurry of speculation against what was hitherto regarded as one of the world's most stable currencies.

The ruling Socialist Party won a resounding victory at the Burgenland elections and the package of austerity measures presented by the Government the following week led to a quick firming of the exchange rate to the D-mark. However, two weeks later in the course of a heated debate in Parliament, Socialist speakers attacked the "panicky rumour-mongering" originally sparked off by the newspapers of the opposition People's Party and Finance Minister Dr. Hannes Androsch revealed that speculation over the course of a couple of weeks had caused reserves to fall by Sch.5.8bn.

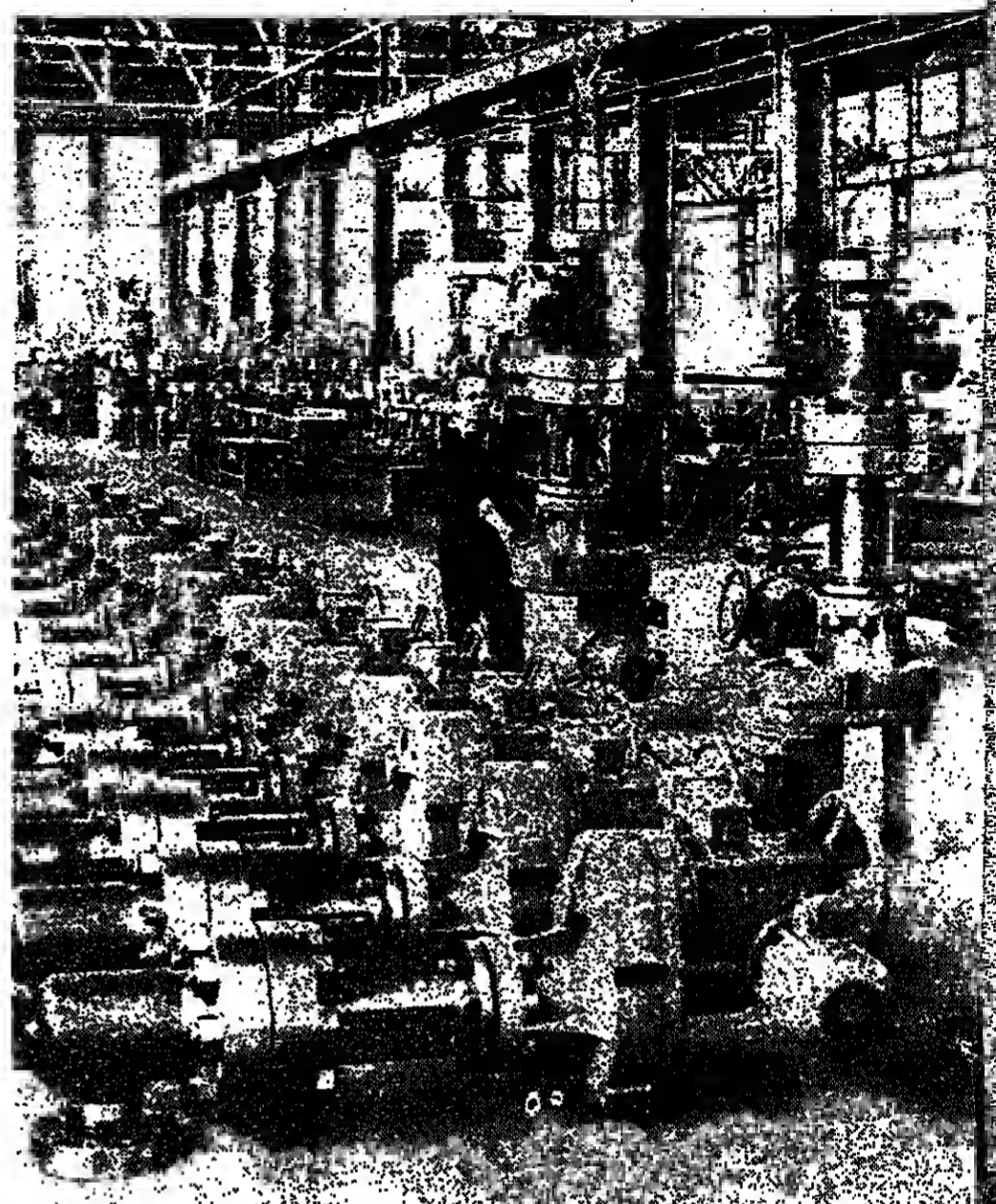
This of course was something completely new in Austria, so long accustomed to boasting of one of the strongest currencies in the world. In a sense the fact that the rumours were believed by many Austrian exporters and multinational companies was psychologically more important than the fall in reserves itself. The speculation reflected deep-seated if latent doubts about the long-term strength of the schilling which since mid-1976 is primarily pegged to the exchange rate of the German mark.

Appreciation

As recently as last year, for example, the schilling increased in value by 6 per cent, overall, gaining 2.2 per cent against the Swiss franc and 8.7 per cent against the dollar. In the five years between the end of 1972 and October this year, the schilling appreciated in value by 48.52 per cent, against the pound 53.55 per cent, against the Italian lira, and 29.81 per cent, against the dollar, even gaining 1.35 per cent against the D-mark and losing only in relation to the Swiss franc by 16.57 per cent.

But it is the relationship in the mark which really matters since Germany, in the first seven months of 1977, supplied 41.5 per cent of Austria's imports, up over 23 per cent, of Austrian exports and provided almost four in five of the foreign holiday-makers in Austria. Evidently, the policy decision of the Socialist government to maintain a hard currency policy under any circumstances was influenced not only by propaganda considerations (in the past Socialists were regarded by the man in the street as the "spenders") but also by the deliberate attempt to use the hardness of the schilling as a lever to keep the domestic price levels down and thus to fight inflationary pressures.

In the course of massive borrowing operations, Austria's external indebtedness has roughly doubled to Sch.109bn. during the past three years. No wonder that debt service is becoming an increasingly appreciable factor in the balance of payments. In the first seven months of 1977, for example, interest payments were up from Sch.1.2bn. to Sch.3.8bn. But in view of the liquidity squeeze, the Treasury must resort not only to massive open market operations but also to continued external borrowing next year. Yet it must also be seen that as Dr. Josef Taus, the leader of the opposition People's



The Bühler special steels plant.

first eight months of 1977, for example, the deficit vis-à-vis Germany grew from Sch.30bn. last year to Sch.35bn. which must be compared to an aggregate shortfall of Sch.44bn.

During the eight month period this year, the current account deficit more than doubled, compared to the same period in 1976, to Sch.24.1bn. It should reach at least Sch.34bn. by the end of the year and the forecast for 1978 envisages, under the best of circumstances, yet another deficit of Sch.30bn. Foreign exchange reserves this year will fall by at least Sch.22bn. following a drain of Sch.18bn. last year. The Institute for Economic Research expects a further fall of Sch.15bn. in 1978.

In terms of domestic prices, there has been some success with the inflation rate dropping 8.5 per cent, in 1974 to 8.4 per cent, in 1975, 7.3 per cent, in 1976 and to a projected 5.7 per cent, this year. But the monetary policy has also helped the influx of imports, primarily from Germany, and hampered Austrian sales which have been hit both by rising unit costs in domestic industry and the appreciation of the schilling against most Western currencies. Last year, the imbalance in trade with West Germany accounted for 80 per cent of Austria's visible trade deficit. During the

Party and himself a former hanker, put it in a confidential paper: the money borrowed abroad ostensibly to guarantee jobs at home leaves Austria as quickly as possible and helps to maintain jobs in West Germany.

What makes the situation even more worrying is the fact that, in contrast to the past, earnings from foreign tourism no longer suffice to offset all or most of the adverse trade balance. Thus in the January-August period, for example, the growth rate in net intake from tourism was only 2.4 per cent, as against 4.7 per cent last year—but during the same period the trade deficit jumped by 33 per cent.

Devaluation
What, then, will happen to the exchange rate of the schilling? Devaluation is opposed not only by the Treasury and the central bank but also by most spokesmen for industry and the banking community. Such a step would only give an antinomic push to inflationary pressures and make the servicing of the external debt even more costly. In contrast to Scandinavian governments, the Austrian policy-makers seek to restore the equilibrium in external payments not through changes of the exchange rate but through domestic policy measures aimed at dampening

consumption, imports and public expenditures.

It is of course true that Chancellor Kreisky put it in latest speech to Parliament Austria still has per head the largest foreign exchange reserves preceded only by Switzerland and West Germany. Yet there is no denying the fact, stressed by the latest quarterly report of the GfK, that the cumulative current account deficit (adjusted) to the tune of Sch.50bn. in 1976-77 represents about 60 per cent of foreign exchange reserves (including gold) piled up by 1977. Furthermore, the National Bank's latest balance of payments statistics reveal the between August 1976 and August 1977, Austria's external reserves (including external assets of the credit institutions) were run down by almost Sch.24bn. to Sch.35bn., at these figures do not even reflect the effects of the recent speculative pressure on the schilling.

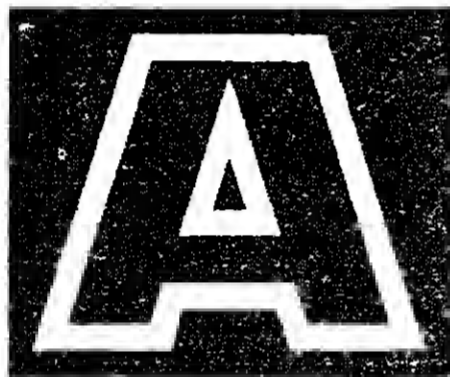
To sum up, Austria is situated better placed than most other Western European countries cope with the imbalance external payments. But the maintenance of a strong exchange rate will depend on the determination of the Government to reduce public spending and on the ability of the labour leadership to curbing primary belt tightening.

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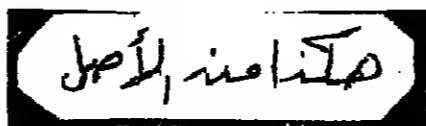
	1975	1976	Change
Turnover (ASm)	7,886	9,945	+26%
Exports (ASm)	4,108	5,371	+30%
Orders on hand (ASm)	2,027	2,863	+41%
Cash flow (ASm)	629	967	+54%
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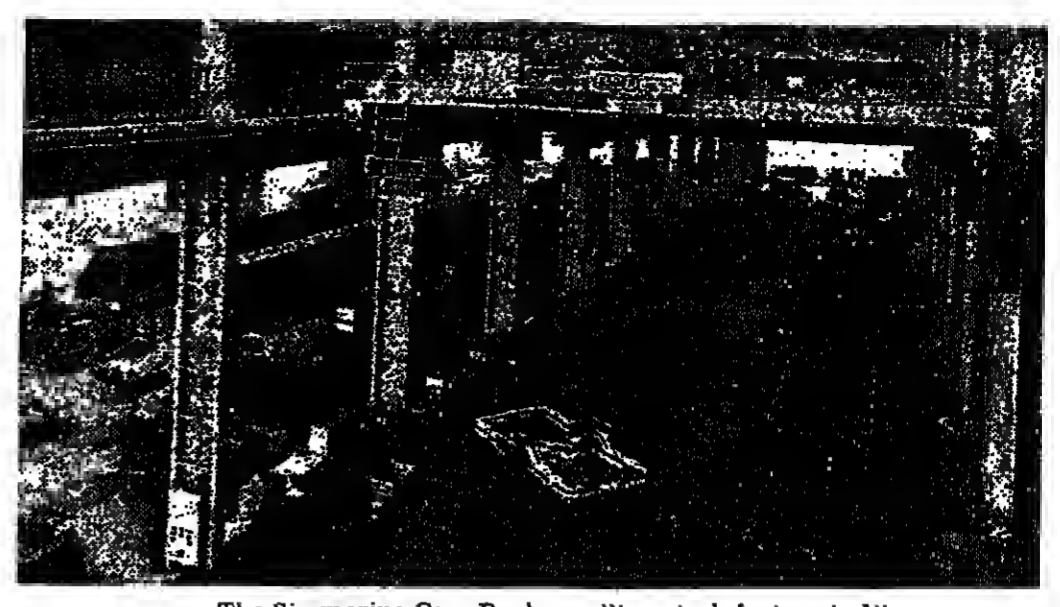
AUSTRIAN INDUSTRY III

Efforts to boost home demand

THE favourite pop music on Austrian radio is a serious comedy for the promotion of products punctuated by the disc with Dr. Friedrich Trade Department of the Chamber of Commerce and Industry. The sudden deterioration of the payments and trade balance "boy Austrian" called Austria week by the Chamber takes its year to the last week for the 20th time year a record trade

Thus the growth rate dropped from 19 per cent in the second quarter of 1976 to only half a per cent in the second quarter of this year. Preliminary estimates for 1977 indicate that the export performance will be only 4 per cent in real terms instead of the originally forecast 8 per cent. A comparison with Germany and Switzerland shows that the deterioration during the past two years has been primarily due to the extremely vigorous expansion of Austrian imports. This is the reason behind the current efforts to convert the Austrians into "more patriotic consumers who prefer "made in Austria" goods to imported products of same price and quality. The point of the matter is however that in the wake of their own economic miracle the Austrians have become choosier, more critical and price-conscious. Thus in the first half of 1977, for example, imports of food were Sch.5bn. higher than food exports. The foreign trade balance in such manufactures as furniture, clothing and furniture recorded during the same period a deficit of Sch.4bn.

At the same time the net income from tourism can only take just about half of the trade deficit, compared with almost 100 per cent six or seven years ago. This is due not only to the low rates of growth in expenditures by foreign tourists but even more to the rapid rise in the number of Austrians who have been taking their holidays abroad. A shopping trip to London for example was not such a long time ago seen as something of a luxury. Two years ago the largest domestic travel agency, the Austrian Verkehrsbuero, organised about 50 excursion flights to London per annum. This year this agency alone operated 130 charter flights to London, each with 100 passengers... the so-called direct imports by travellers are estimated to have reached Sch.16.5bn. last year or about 8 per cent of the aggregate imports recorded in the statistics.



The Simmering-Graz-Pauker rolling stock factory in Vienna.

Tax
This is the reason why the government decided to introduce what is popularly, but of course misleadingly, called a "luxury tax," that is a special 30 per cent rate of VAT instead of the average 18 per cent on cars, stereo equipment, jewellery, furs, cameras accounting for six per cent of private consumption. Their share in the imports total reaches 10.4 per cent, with cars alone accounting for 7.4 per cent, and in terms of imported consumer goods the ratio rises to 24.9 per cent (cars representing 18.2 per cent.). The value of imported goods subject to the 30 per cent VAT rate as of January 1, 1978 reached Sch. 18.3bn. last year.

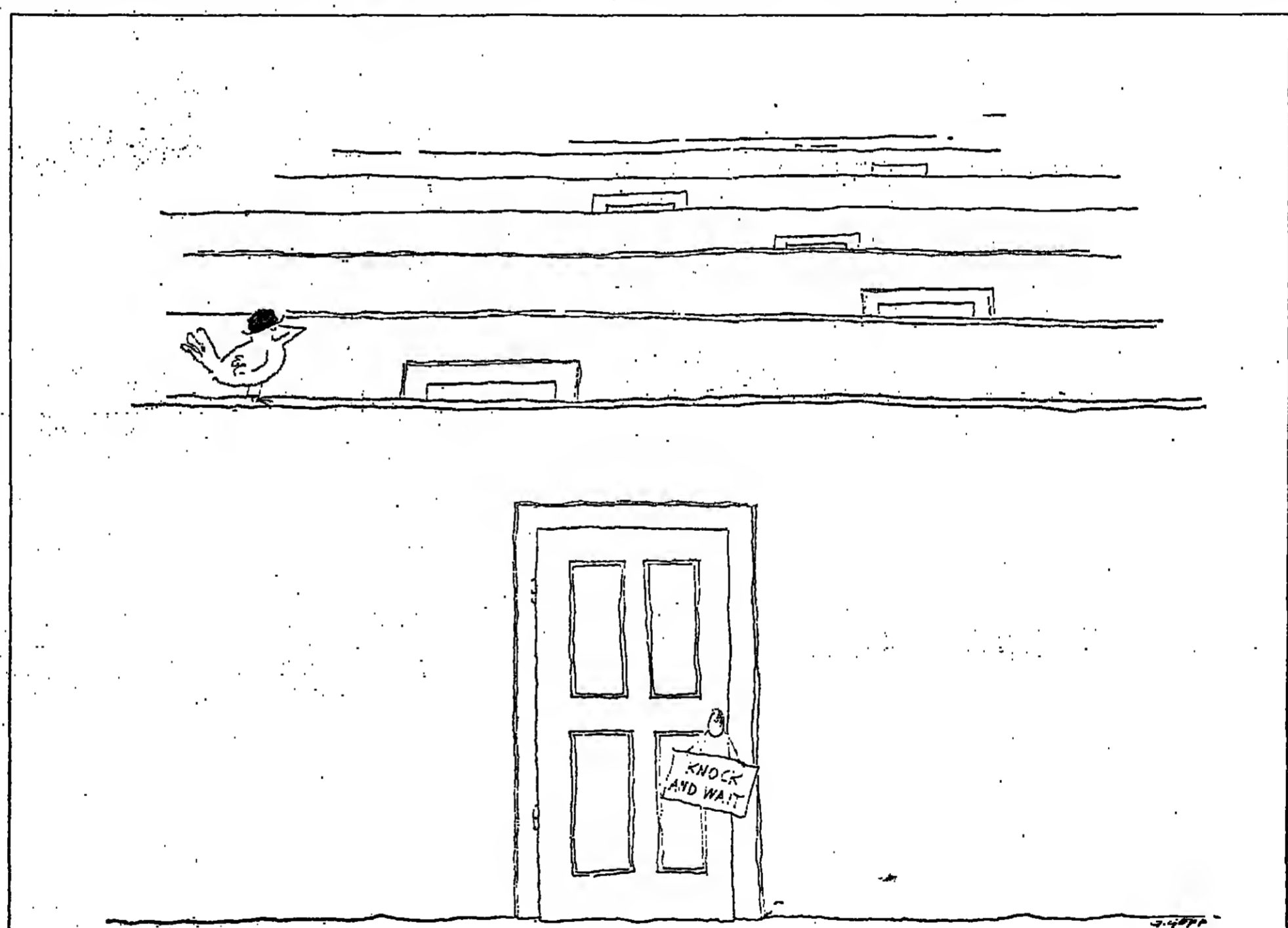
In the first place the restrictive measures should hit foreign exporters and only in a much lesser extent domestic producers. At the same time the government is under pressure from the domestic textile producers, who are faced with serious difficulties, and decided to introduce in August this year the system of import declarations in order to stop the growth of imports from low cost countries. A transition to a system of global import licences may be suggested at a later date to some of the low cost exporting countries. With the Common Market so far showing no willingness to make access for Austrian exporters of farm produce easier, the Austrians are considering the application of the restrictive measures. In the final analysis, however, neither the "luxury tax" nor the Chamber of Commerce's campaign for the tax increases affecting imported consumer goods will suffice to protect domestic industry. During the 1973 to 1976 period consumer prices in Austria have been rising 2 to 3 per cent more quickly per annum than in other hard currency countries. Even Chancellor Kreisky claimed arguments, that average wages in Austria between 1973 and 1977 have risen by 11 per cent, but only by 9 per cent, in Germany and in Switzerland by 6.5 per cent. According to estimates by labour experts, unit production costs between 1972 and 1978 rose 14 per cent, faster than the average for Austria's trading partners. Next year the Chamber of Commerce is set to organise 89 exhibitions and fairs in Europe and overseas in a bid to gain foreign orders. Exports are estimated to provide the basis for the jobs of a quarter of a million people. But taxes and levies reducing the scope for self-financing are unlikely to give the much needed impetus for the small and medium firms which still provide the backbone of Austrian industry. It depends to no small degree on their salesmanship, innovative spirit and confidence in economic policy whether the balance of payments deficit can be reduced to manageable proportions within the next few years.

Strains on labour

LL the international meeting that the unions knew very well which demands were economically possible. These two men are generally regarded as the symbols of the social consensus based on a voluntary and flexible co-operation between the two sides of industry and the farmers, represented by the unions and the Chamber of Labour on the one hand, and the Chamber of Economy and Chamber of Agriculture as well as the Federation of Austrian Industrialists on the other. Together with the Government in power, the representatives of corporate bodies regularly met at the sessions of the parity commission on prices and wages and its sub-committees.

Informal

The informal style and flexible operation of the social partnership has so far been successful because it is not influenced by institutional or legal constraints. To a high degree it is also a matter of personalities and of their mutual confidence in sticking to the unwritten rules of the game. Nothing could provide a more revealing clue to the climate still prevailing in this small country than the fact that on Herr Benya's 65th birthday this month, Austrian television carried a long interview with Herr Sallinger. The president paid respect to the personality of the powerful union leader and a couple of days later even gave a party in a wine cellar in honour of his political opponent.



Eastern Europe and how to get across

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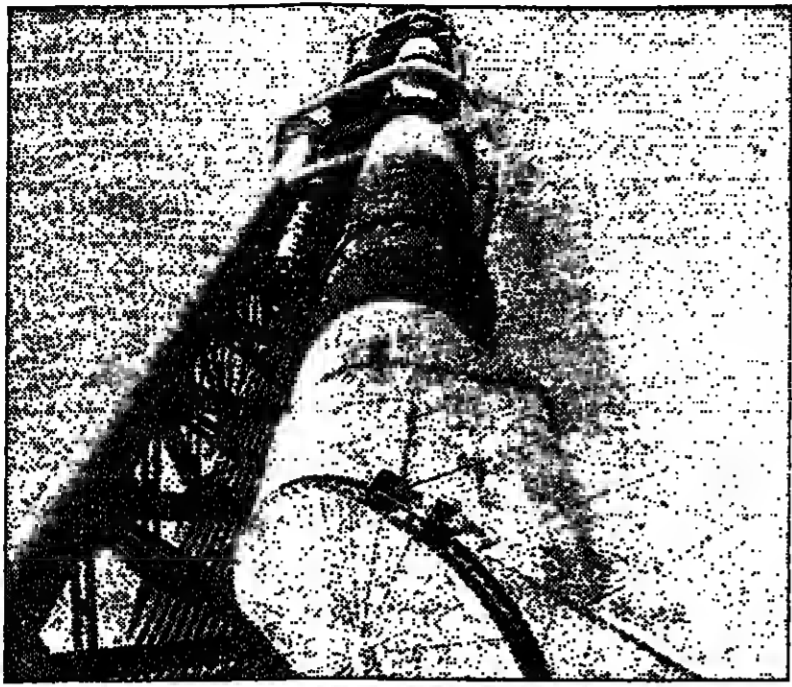
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AUSTRIAN INDUSTRY IV

Nationalised sector needs to contract

THE ANNOUNCEMENT that Voest-Alpine, the steel concern, will have to introduce in November short-time working which might affect at least 5,000 but possibly even as many as 13,000 workers came as a shock to the Austrian public, which has long regarded the single largest Austrian company as a showpiece of Austrian industry. It is also by far the most important sector of the nationalised industries. In a country noted for its lopsided structure, dominated by relatively small and medium family firms, Voest-Alpine, particularly since the mergers in the steel and special steel industries in 1973-75 is something of a giant with a total labour force of some 80,000. About 75,000 are employed in Austria and the parent company, Voest-Alpine (that is without its special steel and other subsidiaries currently) has about 41,000 on its payroll. Its special steel subsidiary, Vereinigte Edelmetallewerke (VEW) claims a labour force of 19,000, together with subsidiaries the number of employees last year reached almost 27,000.

The steel and special steel companies have been severely hit by the world steel slump. Voest-Alpine is faced with the problems of surplus capacities and is heavily overmanned. What is new managing director, Herr Heribert Apfalter,

calls "retraining" for the sake of appearances is a reflection of a rapidly deteriorating situation. Despite a reduction of the labour force by 3,000 during the last three years, there is still labour hoarding. Dr. Franz Geist, the director general of OEIAG (Oesterreichische-Industrieverwaltungs - Aktiengesellschaft), the holding company for the nationalised industries estimates for example that employment should be cut by 6,000 to 8,000 during the next five years. Both Voest-Alpine and VEW are once again in the red this year. Mr. Apfalter estimates that turnover this year will fall by 3 to 4 per cent. from last year's Sch.28.7bn. which in turn represented a 23 per cent. increase. Worse still, losses are estimated to be even higher than the Sch.590m. recorded in 1975 and together with a Sch.300m. loss for the special steel company, the group as a whole might even post a loss of over Sch.1bn.

Avert

What has helped to avert even greater losses and massive lay-offs was the switch during the past few years to machinery and industrial engineering, whose share has risen to 37 per cent. of Voest-Alpine's turnover. According to Mr. Apfalter, it should reach half of the turnover in the not too distant future. For the time being, prospects are so uncertain that "retraining" and early retirement schemes coupled with a freeze on new employment will suffice to avert redundancies.

Steel, of course, is only one part of the nationalised sector. Ever since World War II it has also comprised the oil, aluminium, nonferrous metal industries, most of the coal mines and large segments of heavy engineering and electrical industries. The OEIAG concern as a whole accounted last year for 20 per cent. of aggregate industrial output, 17.3 per cent. of the industrial labour force and 23 per cent. of the exports.

Thus the fortunes of the nationalised sector, even excluding the holdings of the nationalised banks, affect the health of the entire Austrian economy. The sector in 1976 accounted for Sch.6.5bn. of the Sch.23.3bn. worth of aggregate industrial investments. This year they are expected to total Sch.8.5bn. In 1975, the nationalised companies belonging to OEIAG plan to invest Sch.62m. between 1977 and 1981 with two-thirds of the capital provided from the cash flow of the sector.

The balance sheet for the nationalised industries last year showed a total turnover of Sch.96.5bn. against Sch.81bn. a year earlier with 37 per cent. of the output exported. At 116,224, the labour force remained virtually unchanged. Provisional figures for the first half of 1977 indicate a rise in turnover from Sch.40.9bn. in the same period last year to Sch.46.9bn., but exports were only up from Sch.15.7bn. to Sch.16.7bn. Meanwhile, total employment was slightly down from 115,403 to 114,586 between mid-1976 and mid-1977.

Dr. Franz Geist, the outspoken chief of the holding company whose contract expires next March, regards the co-operation agreement between the nationalised Elin concern and Siemens Austria, in which OEIAG has a 43.6 per cent. minority interest, the setting up of a joint petrochemical subsidiary by OEMV, the state oil corporation and Chemie Linz, the nationalised chemical company, and the mergers in the steel and non-ferrous metal sectors as his greatest personal achievements. He is also the initiator of the highly controversial "Austro-Porsche" project which involves the erection of a plant based on know-how provided by Porsche of Stuttgart. The plan to produce 50,000 expensive cars with 42,000 sold abroad has sparked off intense public controversies and no final decision has yet been taken by the government.

Responsibility

Neither the achievements nor the difficulties of this huge sector can however be ascribed to the holding company alone. The sector as a whole and the individual companies have always been subjected to political back-seat driving both in the capital and in the provinces. But as Dr. Oskar Gruenwald of the four member Board of directors puts it, the key question is efficiency and the ability of strong managements at company level to work independently. He is widely tipped as one of the possible successors to Dr. Geist, albeit his complete lack of experience in industrial manage-

ment is regarded as a hand. In the final analysis, the nationalised sector is under direct supervision of the Chancellor himself and Dr. Kreisky well known for his ability and inclination to put forward proposals for personal appointments which nobody has seen. The Austrian born Geist himself, for example, chosen as chief of the OEIAG in 1971 although he had spent decades in the German industry.

Regardless of possible personnel changes at the top, the institutional framework of State control over this sector is unlikely to be changed. Despite Dr. Geist's eagerness to gain executive powers with regard to individual companies, the OEIAG is bound to remain essentially a financial holding and a controlling body which can intervene in case of a manager or business crisis.

Dr. Geist warned in July long-term sales opportunities were jeopardised by the fact, calculated on a dollar unit labour costs in Austria since 1967 had risen by 15 per cent. as against 57 per cent. in the U.S. It is becoming fully evident that high-cost Austria will no longer be able to ride out the international economic storms under the umbrella of the nationalised sector. The sooner the State companies embark on a route to ruthless rationalisation the better for the entire — and also for the Austrian — payer.

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Labour

CONTINUED FROM PREVIOUS PAGE

Both men are key figures in their respective parties. Herr Benya not only has a seat in the socialist leadership but is also president of parliament. This down-to-earth erstwhile radio mechanic, who has been heading the unions for over 14 years, is seen by some commentators as perhaps the single most powerful politician, possibly even more influential than Chancellor Bruno Kreisky himself. A recent opinion poll revealed that Dr. Kreisky, who has led the socialists to victory at the polls three times since 1970, is more than ever the most popular and most respected Austrian politician. And it was Herr Benya who a couple of weeks ago unexpectedly but not accidentally proclaimed at a mass meeting of Viennese socialists that Dr. Kreisky should also lead the party at the next elections in 1979.

As the Socialist Party captured an absolute majority both in 1971 and 1975, and as the unions are of course dominated by the socialists, the Austrian business community and professional people are worried about irreversible changes in the social and economic structure. Their anger exploded in the form of an unprecedented protest demonstration and a blockade in Vienna in September, involving 6,000 cars, when plans about cuts in tax-deductible allowances affecting both self-employed persons and companies were made public. It is this growing anger of the middle class which forces Herr Sallinger to warn the unions and the Government that co-operation in the long run is only possible if agreements and measures are not directed permanently against the interests of one partner.

Unhappy

The Federation of Austrian Industrialists is also not surprisingly unhappy about the austerity measures and the Government's economic strategy. As its President, Dr. Hans Igler, who is one of the partners in the Schoeller Bank, the merchant bankers, put it, the institution of social partnership cannot carry alone the burden caused by a policy of wrong priorities. He pointed out that the Government should ruthlessly cut the costs of the enormously expensive welfare system, ranging from marriage grants of Sch.15,000 per couple to free school books for every child and subsidies for the inefficient hospital system. Such seemingly small steps could in all yield the equivalent of Sch.8-9bn. Dr. Igler believes.

But he, as many other observers, regard incomes policy as the key to future prosperity and the strength of the schilling. Yet last year average wages in Austria were up by 10.3 per cent. as against 6.2 per cent. in West Germany and 1.5 per cent. in Switzerland. The trend continued this year, with gross earnings in industry in the second quarter up by 10.8 per cent.

and net disposable incomes by 11.5 per cent. In view of a 5.5 per cent. inflation rate, this means a 5 per cent. rise in real earnings, a figure completely out of line with economic reality. Unit labour costs in industry rose in the second quarter by 7 per cent. All this is hardly conducive in the improvement of international competitiveness.

It would, however, be wrong to draw a clear dividing line between political decision-making in parliament and the institutions which form the basis of social consensus. This there are 26 union functionaries (21 Socialist and five People's Party) among the MPs, and 58

further MPs occupy positions in the various corporate chambers (20 Socialists and 38 People's Party). In all, a recent study revealed that one in two among the 183-mps, is a professional party, union or chamber functionary. Furthermore, two unionists sit in the Government as ministers of labour and trade respectively. Last but not least, the unions and chambers have the right to pass a judgment on every important draft bill before it is presented to Parliament.

The social consensus has provided the basis for Austria's economic miracle after the second world war. According to

the latest OECD report, Austria between 1955 and 1976 second only to Japan in annual growth, with an annual 4.5 per cent. rise, per head gross national product. Reckoned on a dollar basis, Austria in per head income 1970 was 28 per cent. of the average of the EEC Community. However, by Austria was 1 per cent. The price for the record growth, however, has yet to be seen. It remains to be seen whether the institutions of the partnership will be as useful in time of painful retreat as they were during long period of seemingly limited expansion.



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Joseph L. ...

FARMING AND RAW MATERIALS

Bacon may be cheaper next week

Richard Mooney
Wholesale price cuts announced yesterday may bring the price of bacon down in the next week. To their first price since February all the producers have cut first prices by 25s a tonne. The price comes down to 2970 and the others (British, Irish and Ulster) to 1945. A leading bacon merchant said yesterday that the price is little more than a formalities of the substantial discounts which had been available in the past.

EEC plan to phase out farm currency payments

BY ROBIN REEVES
THE EUROPEAN Commission's 13-man executive has approved a new plan for the gradual, but automatic, phasing out of the monetary border taxes and subsidies between EEC member states. The scheme, which requires the approval of the EEC Council before it can be implemented, envisages the existing EEC monetary compensation amounts (MCAs) being phased out over a seven-year period. For Britain, this would mean that the current MCA of 31.9 per cent, which acts as a Common Market subsidy on many food imports, would go down in equal steps to zero in seven years. Any increasing MCAs resulting from currency instability after the introduction of the scheme would have to be absorbed in national currencies within a period, subject to a maximum change of 5 per cent, in any one year. This ceiling is to meet the objections of countries, like Britain, which have resisted any account to the agricultural sector.

Sharp rise in coffee prices

By Our Commodities Staff
COFFEE PRICES recovered strongly following Wednesday's fall and by last night's close the January futures position on the London Terminal market had reached its highest level since early last week—up £72.5 on the day. London's rise was again prompted by a sudden rush of coffee news prompted earlier—short sales. The news, mostly emanating from pro-South American coffee producing nations, led to a sharp rise in London prices. The U.K. market was forced to respond to the rise in New York. Kinshasa, Zaire, it was announced that 19 African producer countries are to meet there next week to review market trends and a meeting of eight French-speaking African coffee producing nations is currently going on in Douala, Cameroons. No special significance is attached to either meeting but the fact that they have been linked in investors' minds with the recent Central American "other mills" meeting which created so much excitement in the market when it decided to ban coffee exports to Mexico yesterday became the latest of the participants in that meeting to restore its commitment to this policy in what appears to be a concerted campaign to keep the issue in the public eye.

U.K. SUGAR BEET Price squeeze threat to future expansion

BY DAVID RICHARDSON
THE END of unofficial industrial action in support of a pay claim has held up processing at more than 20 beet factories since the start of this year's campaign. Sugar content on the other hand is above average—running at around 17 per cent. The national crop as a whole is about 10 per cent higher than normal. Significant rainfall in the beet growing areas of the east could still increase individual yields but this would be offset by a decision by British Sugar to delay slicing until a week later than usual this year because of the late harvest. Initially, the delay meant more growers who realised that an extra few weeks in the ground would usually lead to a significant increase in the weight of saleable crop. But the exceptionally dry autumn has been minimal and in some areas the soil has become so hard and lacking in moisture that beet have been difficult to dig. Those which have been harvested have been expensive in both time and machinery. The hard earth has caused soil to wear excessively and sometimes break. Meanwhile, some of British Sugar's factories, which have already had new machinery installed as part of the Corporation's £100m expansion programme, have been experiencing inevitable teething troubles with the new tackle. The combined effect of all these frustrations has meant that processing is well behind schedule and will almost inevitably drag on well into 1978. Progress, with lifting the crop on the farms is similarly affected. It is estimated that a mere 5 per cent, to 10 per cent, was cut of the total crop which has been harvested so far have been

Call for U.K. commodity lockpiles

THE SEA oil money should be used by the British Government to take advantage of commodity price rises and raw materials for import by later, according to Michael Montague, leader of the Labour Party's industry group "think tank" reports Reuter. Addressing graduates of the Business School in Manchester, Mr. Montague, Chairman of the Value Heating Company, said that when the world starts expanding again commodity prices climb. Factories will then be unable to compete in the export market. He says that the Government should use the money to buy up commodities at today's low prices.

Irish beef imports anger Welsh

BY OUR COMMODITIES STAFF
SIR HENRY PLUMER, president of the National Farmers' Union, is to lead a delegation of Welsh farmers to complain about the high level of beef imports from Ireland. The NFU said the delegation, which is to meet Mr. John Silkin, the Minister of Agriculture, "within the next few days" would be the first step in a campaign to obtain immediate Government action on the beef problem. Mr. Plumer said that the NFU's Council for Wales, said Welsh farmers were determined to make the Minister realise that the U.K. livestock is in grave danger. He said Mr. Silkin would be reminded of the promises made at the time of the EEC referendum in 1972 that the Government would not allow a massive lobby at Westminster to be planned in the near future. The NFU in Wales is also to seek an emergency debate on the beef situation. John Cherrington writes: There is a growing concern about the effect of the monetary compensatory payments which act as a subsidy on

Record forecast for world rice

WORLD RICE production may reach a new record this year, according to the United Nations Food and Agriculture Organisation. Assuming a favourable conclusion of the Asian monsoon world paddy production is forecast at 351m. tonnes against 343m. tonnes in 1976. The previous record was 345m. tonnes in 1975. Nearly all of the increase is expected in the Far East. Elsewhere few significant changes are expected.

EEC surplus

A similar situation exists throughout most of the sugar beet growing areas of Europe and reports on root weights suggest that this year's crop is 50 per cent lower than usual. The late spring followed by a dry and hot summer culminating in the present dry spell has clearly taken its toll over a wide area. Nevertheless, it is expected that when this year's crop is finally harvested it will contribute to a European surplus of around 3m. tonnes of sugar. As a result, some kind of EEC price support scheme will be necessary to prevent a price squeeze which is inevitable in the very near future. After three drought disasters in 1974/75 and 76 and the probability of a difficult and not very profitable sugar beet crop this year, some heavy land growers have already decided to quit. Indeed the British Sugar Corporation has publicly accepted the likelihood of a rationalisation

Potato yield lower than expected

BY OUR COMMODITIES STAFF
THE Potato Marketing Board confirmed yesterday that any surplus of supplies in demand was likely to be "marginal". Particularly since human consumption of potatoes was rising this year with demand in September last year up by 11 per cent, against 1976, and appeared to be rising steadily. However reports of the Potato Board disappearing when Britain became a full member of the EEC from January 1, and the prospect of unlimited imports from other Common Market countries, had helped bring prices down with a bump recently, although they steadied somewhat subsequently. The support buying programme, launched by the Board earlier this month, has attracted a certain amount of offers.

COMMODITY MARKET REPORTS AND PRICES

Table with multiple columns listing commodity prices for metals, grains, and other goods. Includes sub-sections for 'METALS', 'GRAINS', and 'COFFEE'.

COFFEE

Table listing coffee prices for various grades and origins, including Arabica and Robusta.

PRICE CHANGES

Table showing price changes for various commodities, including metals, grains, and oil.

SOME OF THE WORST WOUNDS...

Advertisement for 'Some of the worst wounds...' featuring a photograph of a person's face and text describing the benefits of a product.

Advertisement for 'EX-SERVICES MENTAL WELFARE SOCIETY' with contact information and a list of services.

GRAINS

Table listing grain prices for wheat, barley, and other cereals.

SUGAR

Table listing sugar prices for various grades and origins.

WOOL FUTURES

Table listing wool futures prices for different grades.

COTTON

Table listing cotton prices for various grades and origins.

MEAT/VEGETABLES

Table listing meat and vegetable prices for various types.

U.S. Markets

Table listing U.S. market prices for various commodities.

FINANCIAL TIMES

Table listing financial market data and indices.

REUTERS

Table listing Reuters market data and indices.

DOW JONES

Table listing Dow Jones market data and indices.

MOODY'S

Table listing Moody's market data and indices.

BARBADOS PLANS TOBACCO REVIVAL

Barbados, Oct. 27. CARIBBEAN SUBSIDIARIES of British American Tobacco are planning a pilot project here aimed at reviving Barbados' long dormant tobacco crop.

STOCK EXCHANGE REPORT

Gilts below best and equities fade after firm start Share index down 1.4 at 511.6 after 519.2—Golds sold again

Account Dealing Dates Option... First Declared Last Account... As predicted overnight, British Funds made the best showing in stock markets yesterday following the cautious proposals put forward by Mr. Healey.

out. prices in this area were quick to move ahead. Profit-taking, however, developed later in the day and earlier gains were pared to 3 by the close and the trend to lower levels continued in the late dealings as further stock came on offer.

Jenks and Cattell added 4 at 89p. Foods recorded several firm spots. Tale and Lyle closed 6 up at 206p, after 206p, following news of the company's plans to build a 110m. plant in Liverpool to produce special sugar-based chemicals.

W. H. Smith feature The Chancellor's fresh round of tax cuts encouraged leading Stores to move forward in moderate trading. Best levels were not always held although W. H. Smith "A" closed at the top, with a gain of 29 to 185p, as buyers became particularly interested ahead of the interim results, due on November 10.

SA Mines weak again South African mining issues suffered a further sharp setback. U.S. selling was again seen and matters were out helped by a fall in the bullion price, which was down \$2.75 to \$189.875 per ounce.

Oil Exploration up Leading Oils moved to line with the general market trend, early rises being trimmed to only a penny or two by the close. British Petroleum rose to 600p in the morning, sentiment being helped by the good overnight rally on Wall Street.



FINANCIAL TIMES STOCK INDICES Table with columns for various indices like Government Secs, Fixed Interest, Industrial Ordinary, Gold Mines, etc., and their values for Oct 27, Oct 28, and Oct 29.

HIGHS AND LOWS Table showing high and low prices for various stocks like Govt. Secs, Fixed Int., Ind. Ord., and Gold Mines.

ACTIVE STOCKS Table listing various stocks such as Con. Gold Fields, Distillers, Shell Transport, etc., with their closing prices and changes.

OPTIONS TRADED Table listing various options like Orme Developments, Douglas, HAT Group, etc., with their trading details.

APOLLO Edited by Denys Sutton The world's leading magazine of Arts and Antiques. Published Monthly price £1 50 Annual Subscription £21.00 (inland) Overseas Subscription £24.00 USA & Canada Air Assisted \$48

RECENT ISSUES Table listing various equities and fixed interest stocks with their prices and changes.

FT—ACTUARIES SHARE INDICES Table listing various equity groups and sub-sections with their prices and changes.

FINANCIAL TIMES BRACKEN HOUSE, 10, CANNON STREET, LONDON EC4P 4BY. Telephone: 01-248 8000. International and British Offices listed.

RIGHTS OFFERS Table listing various rights offers with their prices and changes.

FIXED INTEREST PRICE INDICES Table listing various fixed interest price indices with their prices and changes.

NEW HIGHS AND LOWS FOR 1977 Table listing new highs and lows for various stocks in 1977.

كلانا الأصل

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Table of Authorised Unit Trusts listing various funds such as British Life, Guinness, and others with their respective performance metrics.

Table of Offshore and Overseas Funds listing international investment options like Fidelity, Guinness, and others.

Table titled 'LIVE INVESTMENTS LIMITED' showing various investment options and their details.

Table titled 'INSURANCE BASE RATES' showing rates for different types of insurance policies.

Table titled 'BASE LENDING RATES' showing interest rates for various financial institutions.

Table titled 'COMMODITY PRICE MOVEMENTS' showing price changes for various commodities like wheat, sugar, and oil.

INSURANCE, PROPERTY, BONDS

Large table listing various insurance, property, and bond products from companies like Abbey Life, Beehive Life, and others.

Table titled 'COMMODITY PRICE MOVEMENTS' (continued) showing further price data for various goods.

NOTES

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FT SHARE INFORMATION SERVICE

HOTELS (Misc.) Table with columns for Stock, Price, Div, and Yld. Includes entries like North's, Pines, and others.

BRITISH FUNDS

Shorts (Lives up to Five Years)

Table of British Funds (Shorts) with columns for Stock, Price, Div, and Yld. Includes Treasury, Government, and various bond funds.

Five to Fifteen Years

Table of British Funds (Five to Fifteen Years) with columns for Stock, Price, Div, and Yld. Includes Treasury, Government, and various bond funds.

Over Fifteen Years

Table of British Funds (Over Fifteen Years) with columns for Stock, Price, Div, and Yld. Includes Treasury, Government, and various bond funds.

Undated

Table of British Funds (Undated) with columns for Stock, Price, Div, and Yld. Includes Treasury, Government, and various bond funds.

INTERNATIONAL BANK

77 1/2; 75; 5pc Stock 77-82

77 1/2; 75; 5pc Stock 77-82

CORPORATION LOANS

Table of Corporation Loans with columns for Stock, Price, Div, and Yld. Includes various corporate bonds and loans.

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth & African Loans with columns for Stock, Price, Div, and Yld. Includes various international bonds.

LOANS (Misc.)

Table of Miscellaneous Loans with columns for Stock, Price, Div, and Yld. Includes various short-term and specialty loans.

FOREIGN BONDS & RAILS

Table of Foreign Bonds & Rails with columns for Stock, Price, Div, and Yld. Includes international government and corporate securities.

AMERICANS

Table of American Stocks with columns for Stock, Price, Div, and Yld. Includes various US equities.

AMERICANS—Continued

Table of American Stocks (Continued) with columns for Stock, Price, Div, and Yld. Includes various US equities.

Conversion factor 0.7520 (0.7518)

List Premium 32 1/2% (based on \$151.7777 per \$)

CANADIANS

Table of Canadian Stocks with columns for Stock, Price, Div, and Yld. Includes various Canadian equities.

S.E. List Premium 32 1/2% (based on \$15.722 per \$)

BANKS AND HIRE PURCHASE

Table of Banks and Hire Purchase with columns for Stock, Price, Div, and Yld. Includes various financial institutions.

HIRE PURCHASE, etc.

Table of Hire Purchase, etc. with columns for Stock, Price, Div, and Yld. Includes various hire purchase companies.

BEERS, WINES AND SPIRITS

Table of Beers, Wines and Spirits with columns for Stock, Price, Div, and Yld. Includes various beverage companies.

CINEMAS, THEATRES AND TV

Table of Cinemas, Theatres and TV with columns for Stock, Price, Div, and Yld. Includes various entertainment companies.

DRAPERY AND STORES

Table of Drapery and Stores with columns for Stock, Price, Div, and Yld. Includes various retail and clothing companies.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber and Roads with columns for Stock, Price, Div, and Yld. Includes various construction and infrastructure companies.

BUILDING INDUSTRY—Cont.

Table of Building Industry (Continued) with columns for Stock, Price, Div, and Yld. Includes various construction and infrastructure companies.

DRAPERY AND STORES—Cont.

Table of Drapery and Stores (Continued) with columns for Stock, Price, Div, and Yld. Includes various retail and clothing companies.

CHEMICALS, PLASTICS

Table of Chemicals and Plastics with columns for Stock, Price, Div, and Yld. Includes various chemical and plastic companies.

ENGINEERING MACHINE TOOLS

Table of Engineering Machine Tools with columns for Stock, Price, Div, and Yld. Includes various engineering and manufacturing companies.

ENGINEERING—Continued

Table of Engineering (Continued) with columns for Stock, Price, Div, and Yld. Includes various engineering and manufacturing companies.

DRAPERY AND STORES—Cont.

Table of Drapery and Stores (Continued) with columns for Stock, Price, Div, and Yld. Includes various retail and clothing companies.

ELECTRICAL AND RADIO

Table of Electrical and Radio with columns for Stock, Price, Div, and Yld. Includes various electrical and radio companies.

ENGINEERING

Table of Engineering with columns for Stock, Price, Div, and Yld. Includes various engineering and manufacturing companies.

ENGINEERING MACHINE TOOLS

Table of Engineering Machine Tools with columns for Stock, Price, Div, and Yld. Includes various engineering and manufacturing companies.

ENGINEERING—Continued

Table of Engineering (Continued) with columns for Stock, Price, Div, and Yld. Includes various engineering and manufacturing companies.

ENGINEERING—Continued

Table of Engineering (Continued) with columns for Stock, Price, Div, and Yld. Includes various engineering and manufacturing companies.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, etc. with columns for Stock, Price, Div, and Yld. Includes various food and grocery companies.

HOTELS AND CATERERS

Table of Hotels and Caterers with columns for Stock, Price, Div, and Yld. Includes various hotel and catering companies.

INDUSTRIALS (Misc.)

Table of Industrials (Misc.) with columns for Stock, Price, Div, and Yld. Includes various industrial companies.

INDUSTRIALS (Misc.)

Table of Industrials (Misc.) with columns for Stock, Price, Div, and Yld. Includes various industrial companies.

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INDUSTRIALS—Continued

Table of industrial stocks including companies like British Petroleum, Shell, and ICI, with columns for stock price, price change, and volume.

INSURANCE—Continued

Table of insurance stocks including companies like Sun Alliance and Commercial Union, with columns for stock price, price change, and volume.

PROPERTY—Continued

Table of property stocks including companies like British Land and Anglo-Scottish, with columns for stock price, price change, and volume.

INV. TRUSTS—Continued

Table of investment trusts including companies like British Venture and Anglo-Scottish, with columns for stock price, price change, and volume.

FINANCE, LAND—Continued

Table of finance and land stocks including companies like Anglo-Scottish and British Venture, with columns for stock price, price change, and volume.

NOMURA advertisement for international securities and investment services, including contact information for London and Tokyo offices.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including companies like Rover and BSA, with columns for stock price, price change, and volume.

Commercial Vehicles

Table of commercial vehicle stocks including companies like Leyland and Leyland DAF, with columns for stock price, price change, and volume.

Components

Table of component stocks including companies like Lucas and Lucas Industries, with columns for stock price, price change, and volume.

Garages and Distributors

Table of garage and distributor stocks including companies like Halfords and Halfords Stores, with columns for stock price, price change, and volume.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stocks including companies like News International and News International, with columns for stock price, price change, and volume.

PAPER, PRINTING ADVERTISING

Table of paper, printing, and advertising stocks including companies like News International and News International, with columns for stock price, price change, and volume.

PROPERTY

Table of property stocks including companies like British Land and Anglo-Scottish, with columns for stock price, price change, and volume.

SHIPBUILDERS, REPAIRERS

Table of shipbuilder and repairer stocks including companies like Harland & Wolff and Harland & Wolff, with columns for stock price, price change, and volume.

SHIPPING

Table of shipping stocks including companies like P&O and P&O, with columns for stock price, price change, and volume.

SHOES AND LEATHER

Table of shoe and leather stocks including companies like Clarks and Clarks, with columns for stock price, price change, and volume.

SOUTH AFRICANS

Table of South African stocks including companies like Anglo-Scottish and Anglo-Scottish, with columns for stock price, price change, and volume.

TEXTILES

Table of textile stocks including companies like British Textiles and British Textiles, with columns for stock price, price change, and volume.

TOBACCO

Table of tobacco stocks including companies like British American Tobacco and British American Tobacco, with columns for stock price, price change, and volume.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including companies like British Venture and British Venture, with columns for stock price, price change, and volume.

INSURANCE

Table of insurance stocks including companies like Sun Alliance and Commercial Union, with columns for stock price, price change, and volume.

PROPERTY

Table of property stocks including companies like British Land and Anglo-Scottish, with columns for stock price, price change, and volume.

INV. TRUSTS

Table of investment trusts including companies like British Venture and Anglo-Scottish, with columns for stock price, price change, and volume.

FINANCE, LAND

Table of finance and land stocks including companies like Anglo-Scottish and British Venture, with columns for stock price, price change, and volume.

OILS

Table of oil stocks including companies like Anglo-Scottish and Anglo-Scottish, with columns for stock price, price change, and volume.

OVERSEAS TRADERS

Table of overseas trader stocks including companies like Anglo-Scottish and Anglo-Scottish, with columns for stock price, price change, and volume.

RUBBERS AND SISALS

Table of rubber and sisal stocks including companies like Anglo-Scottish and Anglo-Scottish, with columns for stock price, price change, and volume.

TEAS

Table of tea stocks including companies like Anglo-Scottish and Anglo-Scottish, with columns for stock price, price change, and volume.

MINES

Table of mine stocks including companies like Anglo-Scottish and Anglo-Scottish, with columns for stock price, price change, and volume.

EASTERN RAND

Table of Eastern Rand stocks including companies like Anglo-Scottish and Anglo-Scottish, with columns for stock price, price change, and volume.

FAR WEST RAND

Table of Far West Rand stocks including companies like Anglo-Scottish and Anglo-Scottish, with columns for stock price, price change, and volume.

FINANCE

Table of finance stocks including companies like Anglo-Scottish and Anglo-Scottish, with columns for stock price, price change, and volume.

MINES—Continued

Table of mine stocks including companies like Anglo-Scottish and Anglo-Scottish, with columns for stock price, price change, and volume.

AUSTRALIAN

Table of Australian stocks including companies like Anglo-Scottish and Anglo-Scottish, with columns for stock price, price change, and volume.

TINS

Table of tin stocks including companies like Anglo-Scottish and Anglo-Scottish, with columns for stock price, price change, and volume.

COPPER

Table of copper stocks including companies like Anglo-Scottish and Anglo-Scottish, with columns for stock price, price change, and volume.

MISCELLANEOUS

Table of miscellaneous stocks including companies like Anglo-Scottish and Anglo-Scottish, with columns for stock price, price change, and volume.

NOTES

Notes section containing various financial notices, company announcements, and market updates.

REGIONAL MARKETS

Table of regional market data including stock prices and market indices for various regions.

OPTIONS

Table of options data including call and put options for various stocks and commodities.

Additional notes and information at the bottom of the page.

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BELL'S
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Public spending plans still to be agreed

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE GROWTH of public expenditure in the medium term after 1978-79 has still to be decided by the Cabinet, in spite of earlier Treasury hopes that an outline of the plans might be given this week.

It appears that Ministers involved have won more time for detailed debate of Treasury proposals to limit the rise in the volume of public spending to about 2 per cent a year after 1978-79.

There has already been some discussion among Ministers on the plans, but several Cabinet members are believed to have been reluctant to be rushed into final decisions.

Some spending Ministers have been pressing for a larger increase in spending in real terms to match the projected 3½ to 4 per cent rate of economic growth — instead of the further reduction in the public expenditure in Gross Domestic Product implied by the Treasury proposals.

It also became clear yesterday that important issues affecting the plans for 1978-79 have still to be resolved even though the main decisions on spending programmes have been taken.

The additional expenditure of £2bn. announced on Wednesday

and in July will mean an increase of only up to this amount, and possibly rather less, compared with the plans in the last White Paper.

There are still several off-putting uncertainties, in particular:

Lever's move

Special measures to help small firms to cope with employment legislation and VAT are among the next main targets for the study on the plight of small businesses being carried out by Mr. Harold Lever, Chancellor of the Duchy of Lancaster. This second phase of Mr. Lever's work follows tax and other measures announced in Wednesday's economic package. Details, Page 9

any change in planned expenditure on the refinancing of export and shipbuilding credits. The Government will be holding talks with the banks on refinancing before the current agreement expires at the end of this financial year.

In addition, calculations have not yet been made of the important debt interest component which could be lower than previously projected in view

of the general decline in interest rates. Lower than expected debt interest and the improving financial position of nationalised industries are the main reasons for the further major revisions to the borrowing requirement estimates, with broader tax revenue and lower than planned public expenditure also significant.

The estimate for 1978-79 before the latest measures was £32bn., compared with a projection of £28.6bn. included in the Letter of Intent to the International Monetary Fund last December. As a result of the measures the estimate is now £27bn., allowing a notional leeway of £1.6bn. for further action in the spring Budget.

However, the IMF ceiling may be revised following talks between the Treasury and a Fund team visiting London in the third week of November.

This visit is regarded as being rather low-key with no major changes of direction in policy likely to be suggested by either side.

A closer examination yesterday of the Treasury forecasts also indicated that Whitehall is taking a more pessimistic view of the degree of import penetration, especially for consumer goods, than many outside economists.

Thorpe denies joining 'plot' to kill Scott

BY RUPERT CORNWELL, LOBBY STAFF

MR. JEREMY THORPE, the former Liberal leader, last night utterly denied any involvement in the supposed plot to kill his one-time friend Mr. Norman Scott, and dismissed all suggestions that he might resign as MP for North Devon.

His statement, the most categorical rebuttal yet of improper conduct in the protracted and bizarre Scott saga, came before an hour-long Press conference in London aimed at clearing Mr. Thorpe's name once and for all.

Composed of ten journalists, Mr. Thorpe was accompanied by his wife. Also with him were Mr. Clement Freud, Liberal MP for the Isle of Ely, who presided, and Mr. John Montgomery, his legal representative, from Goodman, Derric and Co.

Mr. Thorpe attacked the "ruthless and vicious dissemination of rumours and speculation which have been published, seemingly without regard to whether they are true or false" and spoke of the "intolerable strain" he had undergone.

He then made a point-by-point denial covering aspects of the affair, beginning with his own first acquaintance with Mr. Scott in 1961 and continuing in the alleged plot in which Mr. Andrew Newton is supposed to have been offered £5,000 by a leading Liberal to kill Mr. Scott.

Mr. Newton, a former airforce pilot, made his claim of the plot to the London Evening News last week. On Wednesday, he was detained at Heathrow Airport and is now being questioned by police in Bristol. Mr. Thorpe's main points were:

• His initial sympathy for Scott's plight when they first met developed into a close, warm and affectionate friendship. But, he repeated, no homosexual relationship ever took place between them.

• He had never taken part in any cover-up, either by putting pressure on Scott, or trying to buy him off. Nor had he pressed any Government Minister or authority to intervene on his behalf.

• He had neither known nor communicated with Newton, nor had he ever made any payment to Newton, or arranged for any such payments to be made.

• He had never discussed with Mr. Peter Bessell (the former Liberal MP now living in California), or anyone else any proposed murder or attempt to harm Scott. Moreover, "not a scrap" of evidence had been put forward to implicate him.

Asked why he had not taken legal action to vindicate his reputation, Mr. Thorpe said: "I'm not a suer." But he would consider the matter "after the conclusion of allegations has finished."

On the alleged South African connection—one of the most mystifying aspects of the affair and raised in the Commons by Sir Harold Wilson, then Prime Minister, in March, 1975, Mr. Thorpe commented that Sir Harold had declared this arose from "South African instigation of a non-Governmental character."

"I did not myself promote this belief and it is fair to say that Sir Harold himself now has his doubts," the former Liberal leader said.

In Harrogate last night, Mr. David Steel, the Liberal leader, said he was delighted Mr. Thorpe was not planning to resign.

Mrs. Lillian Prowse, Mr. Thorpe's agent in North Devon, said in a constituency headquarters in Barnstaple: "His statement speaks for itself. Our confidence in him remains unshaken."

End of another tap stock

THE LEX COLUMN

The Stock Market reacted much as expected to the Chancellor's package. Gilt-edged prices took heart from the surprisingly low figures for the PSBR, and what was left of the partly paid long tap (say, £500m, nominal) was quickly snapped up with brokers only getting about 60 per cent of their applications. Meanwhile, equities, after being over six points ahead in the morning, closed lower on the day.

The exhaustion of the long tap, coming only three days after the final call of over £400m on Treasury 9½ per cent, 1983, means that the Government Broker has tied up well over £800m, of gilt sales in the first week or so of the November banking month. With an exhausted long tap in late November, and a final call of close to £300m for the BP issue the following week, the authorities have also secured a considerable part of their funding needs for the December banking month. According to Heddewick Stirling Grumbar the authorities have now fulfilled roughly three-quarters of their 1977-78 funding requirements. But another tap issue can be expected in the near future.

However, these calculations can easily be disrupted by continuing heavy inflows of foreign exchange. There are stories that the October reserve figures may rise by as much as \$8bn. and even if the inflow is only half this figure the October money supply figures are going to look far from healthy.

Yesterday, the pressure on the pound eased mainly because the much improved U.S. trade deficit for September — described as an "aberration" — helped the dollar stage a small recovery. However, there are few signs that the underlying pressures for an appreciation of the sterling exchange rate have disappeared.

Trust bids
 The British Rail Pension Funds emerged from their tunnel yesterday and announced an offer for Edinburgh and Dundee investment which immediately made Wednesday's terms by the Coal Board funds for British Investment Trust bond market. The Rail offer is at 100 rather than 98 per cent of net asset value, and the latter is defined to include the whole (rather than 75 per cent.) of the dollar premium content, which could make the terms worth another 2 per cent com-

paring with the coalmen's formula. Even so, E and D is holding out for more. It claims the going concern net asset value was 186p a share at the end of September. But the rail funds are deducting a small amount to reflect the impact of repaying long term debt at par, and are also charging some 13p of contingent capital gains tax liability. The offer — on a national end-September basis — would therefore be 170p a share in cash.

The Rail Funds' formula is more generous than with Standard Trust at the beginning of the year. But pension funds have yet to succeed against rival bidders like insurance companies or banks. It looks as though they are now going for really big trusts in the hope that the potential competition will be ruled out.

Stockbrokers
 The annual Continental Illinois survey of stockbrokers' jockeying for position among research departments. As in previous years, institutional fund managers have been asked to list their choices of leading analysts in fifty or so sectors, or specialisations. The league table is based upon frequency with which firms have analysts ranked in the top three in each sector.

Edinburgh brokers Wood Mackenzie, who have lost analysts in two sectors, have been replaced in the top position by Hoare Givett and James Capel, the two firms which have scored by the sheer breadth of their coverage. Not that the big brokers have all been successful, for Phillips and Drew have been edged out of the table by a twelve-partner firm of Scott

Index fell 1.4 to 511.6

STOCKBROKERS' RESEARCH League Table 1977

- 1 (2) Hoare Givett
- (3) James Capel
- 2 (1) Wood Mackenzie
- (2) Kemp-Gee
- 3 (2) Greenwell
- 4 (4) De Zoete & Bevan
- 5 (5) Rowe & Pimston, Hurst Brown
- 6 (5) Savory Millin
- (—) Scott, Goff, Hancock

1976 rankings in brackets Source: Continental Illinois

Gulf Hancock, Kient and also fall to show this in the middle of the table.

It is one thing to say tiny sector like insurance, however, and quite another feature strongly in the field — such as construction chemicals. This year Continental Illinois has attempted in at the commission-estimating of various sector analysis, from the numbers of recognised by distribution from the Stock Exchange over figures for the different sectors. This is meant to be a crude exercise, for it is non-institutional business there may be little direct relation between the size of an analyst and the size of the firm's business. It is instructive that food and retailing analysis working in a £50m a year sector, while 28 per cent banking specialists are getting for only about as much business.

Minet
 Minet Holdings has set its normal growth following the disposal of a last couple of weeks stripping out the effect of interim figures at the year-end exchange rates. Age income comes down 20 cent up at £12.9m, and profits are 24 per cent up at £7.3m. This seems in line with other trading companies and reflects a shift in the factors — weak pricing high interest rates — which benefited the sector in the two years. But there is a nasty loss to worry and Minet reports the volume of U.S. business in London has been steady and is unlikely to over the next 18 months.

Improved cash flows the period allowed the firm to invest more in the market, with the result that net income has increased 67 per cent to £1m. The profits from associate companies has increased by 20 per cent to £705,000. A comparison is distorted by exclusion of a blocked investment from certain African shares in the 1977 figures. The net profit seems to be about 23 per cent up on the basis of the day's closing price of the shares on a prospective of over 12 fully paid

Villiers hints at drastic plans for British Steel

BY ROY HODSON

A PRIVATE business losing money at the rate of the British Steel Corporation would be either in receivership or liquidation. Sir Charles Villiers, its chairman, told a audience of accountants in Newcastle-upon-Tyne last night.

British Steel, badly hit by the world steel trading recession — which has come in the middle of its investment in new steelworks — is to announce shortly losses of £200m for the first six months of the financial year 1976-77. The corporation is losing about £1m a day.

Sir Charles hinted that drastic plans to overhaul British Steel were being drawn up. Unless the corporation took remedial action, it would go further down

in markets which were still falling, he said. British Steel's own radical proposals for reducing capital investment, shedding labour and closing ageing steelworks will shortly be put to the Government.

Mr. Eric Varley, Industry Secretary, is expected to oppose a big reduction in the nationalised corporation's capacity on the grounds that it would break the Government's commitment to continue to keep certain steelworks open for social reasons, and that it would worsen the national unemployment problem. However, his own department is urging him to take strong measures to pull round British Steel. In turn, the Treasury is

alarmed at the continued drain on public funds as British Steel loses money on every tonne of steel made, while continuing investment in a £50m-a-year programme to build new steelworks.

Sir Charles said last night: "British Steel has now to become a business and cease to be an institution."

In another reference to capital spending on new steelworks, which may prove significant in view of Government thinking, he said: "Because steel is a capital-intensive industry it is expensive and unsuitable for job creation." The corporation's claim for support must be the creation of wealth, he said.

Editorial comment Page 22

OECD sees scope for capital market

BY MARY CAMPBELL

THE INTERNATIONAL capital market will continue to be active for the rest of the year, according to the Organisation for Economic Co-operation and Development, with most sectors set for record levels of financing.

The assessment comes in the first issue of a new quarterly series, *Financial Market Trends*.

The OECD does not expect more than a modest rise in interest rates during the rest of the year. Although borrowing by the U.S. Government will rise and U.S. companies may also borrow more, it expects inflows of funds to large institutional investors in America to remain at high levels.

On the other hand U.S. short-term rates are expected to continue to harden, although more moderately.

Intensifying
 Outside the U.S. the scope for further declines still exists, notably in the context of relaxation policies in some countries, it foresees further falls in long-term rates in Britain and Japan.

On medium-term loans by commercial banks, the OECD clearly expects the current borrowers' market to be maintained, with competition to lend perhaps even intensifying. It foresees an even heavier fourth quarter than usual.

At the beginning of October some \$670m worth of identified loans were under negotiation, compared with \$41m, or \$5bn, worth at the beginning of previous months.

On the demand side, balance of payments deficits and capital

intensive investment projects, particularly in developing and East European countries, would ensure continuing demand for funds. On the supply side, the liquidity of the private credit markets seemed unlikely to deteriorate noticeably in the months ahead.

On the international bond markets, the OECD expects potential demand of about \$1.5bn, or \$1.1bn, per month — less than earlier this year, but more than at any time before that. Australia and Italy are quoted as likely major borrowers, with corporate demand remaining relatively strong "as borrowers try to cover their financing requirements in advance of an anticipated worsening of terms next year."

The OECD particularly singles out developing countries, which in the third quarter accounted for the first time for a substantial proportion of new issue activity in the Eurobond market — 15 per cent of the total.

On the supply side, the OECD says that there are still plentiful funds for medium-term investment. The slope of the yield curve was particularly favourable for investors in the D-Mark sector, while some switching of low issue activity to that sector in the fourth quarter was likely.

Among recent developments, the OECD highlights a tendency towards longer maturities — particularly pronounced in the Eurodollar bond market, where average maturities for new issues lengthened from eight years to ten years between the second and third quarters.

Spotlight on Capital Markets, Page 28

Tax staff 'put under strain by changes'

BY DAVID CHURCHILL, LABOUR STAFF

THE Prime Minister has been told by Sir William Pile, chairman of the Inland Revenue, of the strain under which Britain's 80,000 tax staff are working and of the considerable burden imposed by the Chancellor's latest tax proposals.

Sir William's concern at the efforts of staff of three Budgets this year and a number of minor tax changes was expressed yesterday in a letter he sent to them all.

He had made sure, he wrote, that the Prime Minister and the Chancellor were "fully aware of the strain on you all, and of your devoted response."

Incentive
 Tax officers have been working overtime since the summer to keep up with tax changes, and even before Wednesday's mini-budget, all staff were expected to work overtime until after Christmas.

This has led the 80,000-member Inland Revenue Staff Federation to seek some incentive from the Government — such as extra leave — to encourage "Budget-minded" staff to cope

with the new changes. The federation is considering overtime. It is more likely that the work will be slowed by staff having to take sick leave because of the strain.

Mr. Tony Christopher, federation general secretary, has given the Government until the end of next week to make some offer to the staff. He has warned that tax changes may lead to a substantial increase in tax frauds.

Sir William urged staff in his letter to rise to the challenge. He has told Ministers that it is the tradition of the Department of the Inland Revenue to do the impossible.

He acknowledged that the changes in allowances "will impose a considerable new burden of work on tax district staff and will also add to the complications of collection work."

The Inland Revenue yesterday gave the go-ahead to a new, computerised system for routine PAYE assessments. The first new project will start operating in April at Cambusnethair near Glasgow, and will take over work at present carried out by some collection offices in the North of England.

Labour news, Page 12.

Bus drivers' eight-hour day postponed

By David Buchan and Ian Hargreaves

THE U.K. yesterday won acceptance from EEC partners of its demand for a three-year phase-in period for the eight-hour driving day for bus and lorry drivers. Ireland, which had asked for a five-year grace period, has also settled for three years.

Mr. William Rodgers, Transport Secretary, said the agreement has saved the British Government "chaos and tens of millions of pounds of expense."

Until yesterday, France had insisted that Britain adopt the shorter driving day from next January. He has warned that tax changes may lead to a substantial increase in tax frauds.

The timetable for changing the present 10-hour driving day to the eight-hour day, provided that the beginning of 1980 and to eight months on January 1, 1981.

Bus there will be a reduction of the lorry driver's working fortnight from 120 hours to 118 hours in January and from 130 to 118 hours for bus drivers.

Mr. Denis Quin, director of the Confederation of Road Passenger Transport, last night welcomed the delaying of the EEC measures.

Coch operators would especially welcome the retention of the traditional fixed working week for the period of the phase-in, has now agreed that it can be introduced in regular stages under supervision from the Commission.

The timetable for changing the present 10-hour driving day to the eight-hour day, provided that the beginning of 1980 and to eight months on January 1, 1981.

Other features of yesterday's agreement are the abolishing of the present system of overtime incentives in the British road haulage industry and a temporary softening of the EEC regulations on access to the U.K. access to the other stipulations of the tachograph regulation.

Ministers "agreed to disagree" for the next five years on the matter of road transport tariffs, with the U.K. being allowed to keep its present system of reference (non-compulsory) tariffs.

Seven-week deadline set for State pensions

BY ERIC SHORT

EMPLOYERS must decide within seven weeks whether they are contracting out of the new State pensions scheme, starting on April 6. If not, they and their employees may have to pay contributions to both the State and their own individual pension funds.

This is the effective result of a deadline laid down yesterday by Mr. Stanley Orme, Minister for Social Security. He said in London that employers planning to contract out must do so by March 14, the first time that any firm date has been given.

But because companies contracting out have to give employees and "recognised" trade unions three months' notice of their intention not to join the new scheme, a decision must be made by December 14.

The Government is perturbed at the slow rate of applications being received by the Occupational Pensions Board, the body responsible for granting contracting-out certificates.

of applications in the weeks just before April 6.

Last week the Occupational Pensions Board announced relaxations in the procedures for granting certificates.

Draft regulations, it is now considering would ensure that, provided an employer submitted his application by the given date, he would be able to pay the reduced National Insurance contributions for a limited period even though he might not have received a contracting-out certificate from the Board.

This provision would last until July next year. If by then the employer had still not received a contracting-out certificate, then he would pay the full national insurance contributions in addition to payments to the company scheme. But the regulations will give Mr. Orme the power to extend this period and the original March 14 deadline.

Mr. Orme said that if employers missed this deadline but subsequently obtained a contracting-out certificate back-dated to April 6, they would get a refund of the excess contributions.

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U.K. TO-DAY		100 (54F)	
DRY and sunny in S. Rainy in N.	S.W. England, S. Wales	100 (54F)	100 (54F)
London, S.E. and Cent. S.	England, E. Anglia, Midlands, Channel Is.	Lakes, I. of Man, S.W. and N.W. Scotland, Highlands, Argyll, N. Ireland	Lakes, I. of Man, S.W. and N.W. Scotland, Highlands, Argyll, N. Ireland
Dev. sunny intervals. Max 14C (57F)			
E. N.W. Cent. and N.E. England, N. Wales	Cloudy, occasional rain or showers. Max. 11C (52F)		
Cloudy, rain at times. Max. 10C (50F)			
BUSINESS CENTRES			
Amsterd.	Brussels	Frankfurt	London
Madrid	Paris	Rome	Stockholm
Zurich			
HOLIDAY RESORTS			
Amsterd.	Brussels	Frankfurt	London
Madrid	Paris	Rome	Stockholm
Zurich			